



JOY REDEFINES ULTIMATE

The BMW 7 Series redefines progressive leadership with ultimate luxury. Take a seat and enjoy the **massage function, refrigerator box, integrated BMW Navigation System** and more features that turn every drive into a relaxing experience and are available as standard in all BMW 7 Series. The BMW 7 Series offers chilled refreshments at any outside temperature while on the go with space for your luggage. Enter the BMW 7 Series and let innovation indulge you with highest levels of comfort.

JOY IS THE BMW 7 SERIES. POWERED BY IDEAS

BMW EfficientDynamics

Less consumption. More driving pleasure.

Authorized BMW Dealers:

North: Chandigarh: Krishna Automobiles +91 172 525 0000, Delhi and NCR: Deutsche Motoren (South-East) +91 11 2611 1111, Jaipur: Sanghi Classic +91 141 408 7070, Ludhiana: Krishna Automobiles +91 161 525 0000

South: Bangalore: Navnit Motors (South Bangalore) +91 80 2852 0060, Navnit Motors (North Bangalore) +91 80 2852 0060

East: Bhubaneswar: OSL Prestige +91 674 644 4672, Kolkata: OSL Prestige +91 33 2251 7010, Raipur: OSL Prestige +91 79 2684 1231

West: Ahmedabad: Parsoli Motors +91 79 2684 1231, Goa: Bavaria Motors +91 832 288 7771, Indore: Infiniti +91 79 2684 1231

The model, equipment and possible vehicle configurations illustrated in the advertisement may differ from the vehicle shown.



The
founders
of
change

keep reaching

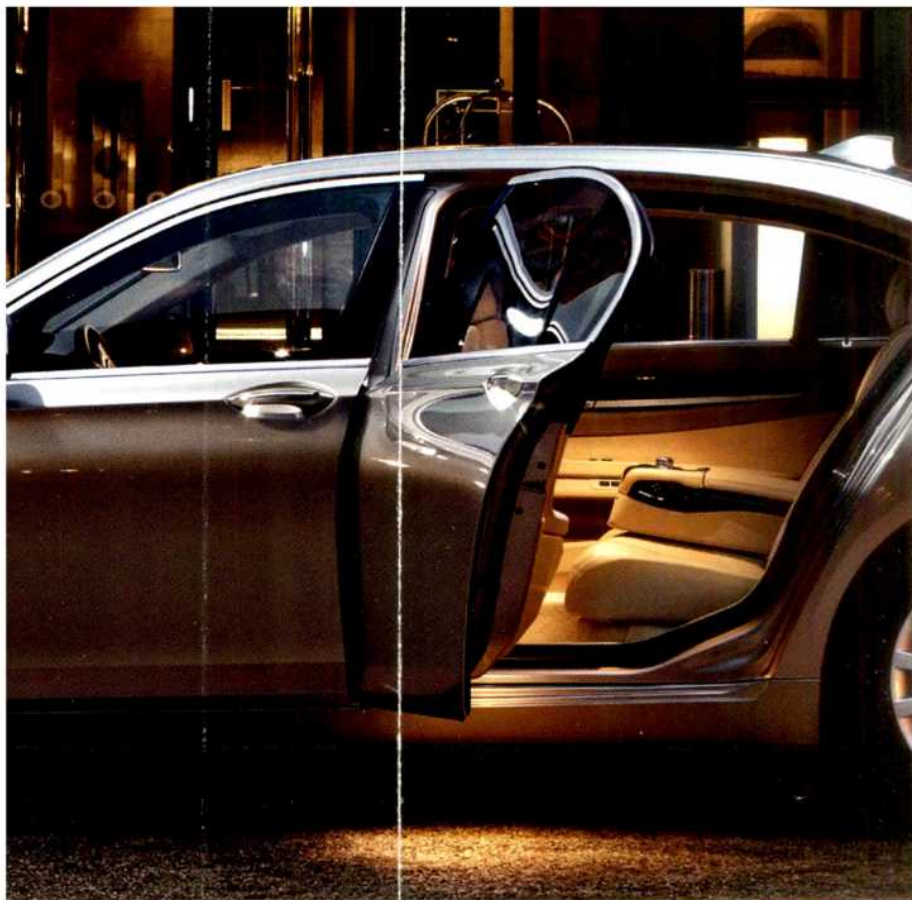
are
people
like
you.

Let us accompany you with financial solutions
for all your banking and investment needs.

RIBAS | The bank for a changing world

bnpparibas.co.in

Commercial bank in India.



LATE LUXURY.

and experience unrivalled innovations like **Rear view Camera**, **folding tables**, **Professional** and **Rear-seat Entertainment Professional** with largest-in-segment V 7 Series models. The folding tables in the rear create a perfect working ambience for two 700 ml bottles and two drinks cans. With the Rear view Camera safety leads. For a test-drive or more information contact your local Authorized BMW Dealer.

■

Delhi) +91 11 4309 0000, Deutsche Motoren (West Delhi) +91 11 4726 0000, BMW Studio +91 11 4266

0 2234 1661, Chennai: KUN Exclusive +91 44 4291 1111, Coimbatore: KUN Exclusive +91 42 2227 0900, Munich Motors +91 771 225 9333, Hyderabad: KUN Exclusive +91 781 225 9333, Infiniti Cars +91 731 400 8989, Mumbai: Infiniti Cars +91 22 6714 5100, Navnit Motors +91 22 6677 7777, Pune: KUN Exclusive +91 20 225 9333.

supplied in the Indian market.





At the rear, rear Comfort Seats with
 integrated 9.2" high-resolution screens
 provide entertainment and the integrated refrigerator box
 keeps your drinks cold the way even when reversing.
 For more information, log on to www.bmw.in

000, Bird Automotive +91 11 3988 5577

), Hyderabad: KUN Exclusive +91 40 4465 6565, Kochi: Platino Classic +91 484 400 9966

ne: Bavaria Motors +91 20 2614 1555, Surat: Parsoli Motors +91 261 272 1231



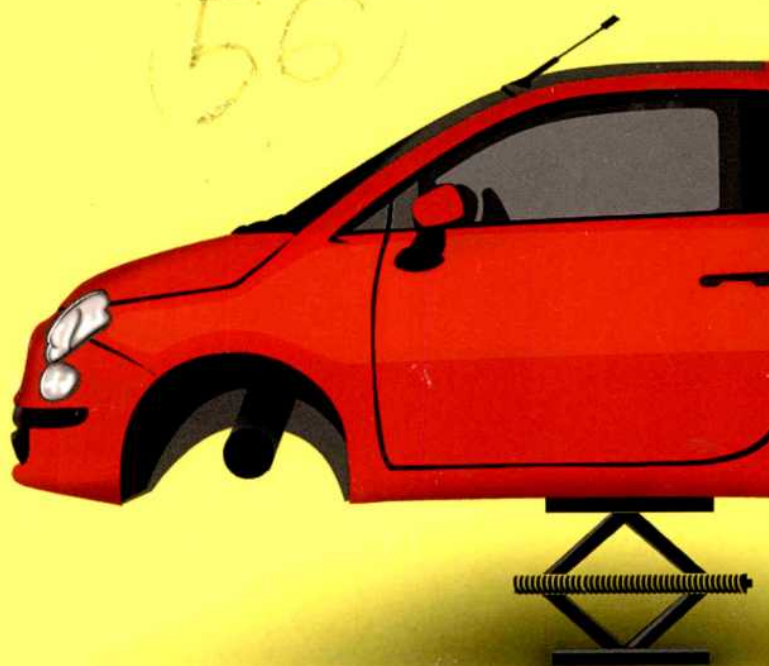
SANJIV GOENKA BEGINS A

www.businessday.in

business **t**
for managing **t**

GOIN NOWHI

India's rise as a global auto



A NEW PERSPECTIVE BEGINS HERE...

Le MERIDIEN

Le Méridien New Delhi

Through the lenses of art, design, fashion and cuisine, Le Méridien creates a stimulating, interactive experience that allows guests to see their destination from a new perspective.

Le MERIDIEN

Ahmedabad • Bangalore • Chennai • Coimbatore (September 2011)
Jaipur • Kochi • Mahabaleshwar (January 2013) • New Delhi • Pune

limeridien.com | India toll free 1800 258 2555.

spg.
Starwood
Preferred
Guest

Le MERIDIEN

aloft

THE LUXURY COLLECTION

WESTIN

FOUR POINTS

element

Sheraton

ST REGIS

W
HOTELS

©2011 Starwood Hotels & Resorts Worldwide, Inc. All Rights Reserved. Le Méridien and its logo are the trademarks of Starwood Hotels & Resorts Worldwide, Inc., or its affiliates.

From the Editor

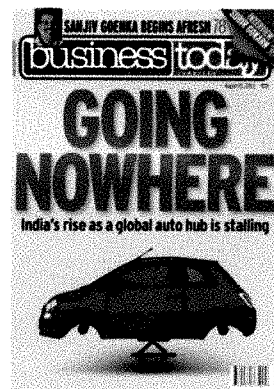
I remember my first car with great fondness. It was a Fiat 1100D, and I crashed it barely a month after my wife and I bought it. There was another crash a little later; we were the third owners of the car, but it held up well. Three years later we sold it for a profit to a buyer in Chandigarh. The Fiat was liberating. Delhi's roads were wide open and a pleasure to drive down in the early 1980s. One day with the rain pelting down the car skidded on Khel Gaon Marg, spun around and came to rest pointing in the reverse direction. Try doing that today.

You can see I was an adventurous driver. For today's young people, however, getting their first wheels is as liberating but not as thrilling; they are spoilt for choice in the small-car segment. And why not? Today's i10 will grow up to be tomorrow's Land Cruiser, if gas-pump prices haven't forced the driver to take to the BEST bus or the Delhi Metro. India was all set to be the small-car manufacturing hub of the world, but as with many of our roads, the ride is bumpy. It is fashionable to predict that millions of cars will be swanning down our roads in the decades ahead, and nearly all the world's car brands have beaten a path to our door. But land, labour, capital, and infrastructure all make it tough; if I commit the heresy of saying we need to get our carmaking policy together, with powerful government backing, I will be subjected to auto-da-fé.

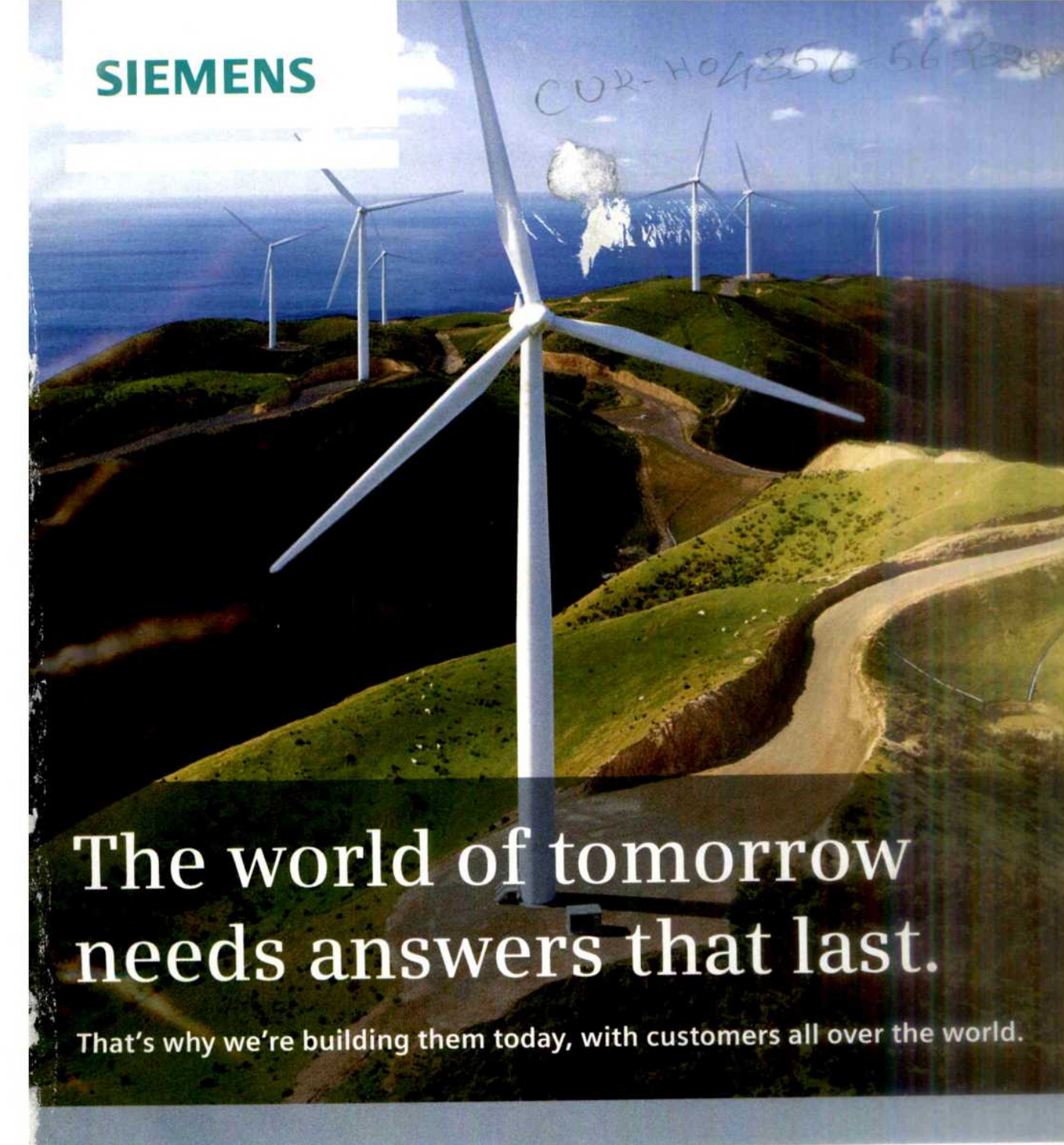
It is both an uplifting and upsetting tale. We would like to be optimistic, and direct you to page 46, where Kushan Mitra and Suneen Sinha weld the pieces together.

"Oh no, not again!" is the refrain from trading rooms, bank offices, and homes across our nation when the Reserve Bank raises interest rates. It has happened too often since last year and has heralded increases in the prices of petrol (see auto story), food, clothing and entertainment. But inflation is like a leech. It gorges on your blood once it attaches itself to you and can only be dislodged using rather determined techniques. The one question nobody has been able to answer for me is: once prices go up to a high level and our pain threshold rises, do we even notice if inflation goes down but prices stay up? For answers to many other questions, see our interview with RBI Deputy Governor Subir Gokarn on page 36.

As India's businesses boom, keeping their books clean and in order is a challenge. All the Big Four accounting firms – KPMG, Deloitte Touche Tohmatsu, Ernst & Young, and PricewaterhouseCoopers – are present in India, but not too long ago they were the Big Five. Arthur Andersen came a cropper after being found guilty of charges relating to the spectacular bankruptcy of Enron. Auditing is very important, as a rash of accounting scandals at Chinese firms preparing to list overseas has recently shown. PwC, which audited the books of our own flameout Satyam Computer Services, in April was fined \$7.5 million by the US Securities and Exchange Commission, and agreed to pay another \$25.5 million to settle a class-action suit. The firm is working hard to re-establish its auditing reputation, and Suman Layak tells that story from page 84.



Chaitanya Kalbag
chaitanya.kalbag@intoday.com
www.businessindia.in/editor



SIEMENS

The world of tomorrow needs answers that last.

That's why we're building them today, with customers all over the world.

It's why we're designing our technology to last longer and use fewer resources. It's why we're helping our customers reduce their CO₂ emissions. And it's why we're pioneering new answers with one of the world's largest environmental portfolios.

As a result, we were just named the best in our business sector by the Dow Jones Sustainability Index. And recognized as the top company overall by the Carbon Disclosure Project, the world's largest independent

database of corporate climate change information.

Yet we'd never claim to have all the answers. That's why we're working with 190 countries. Thousands of cities. Tens of thousands of companies. In energy, industry and healthcare.

We're working with the world today to create answers that last for the world of tomorrow.

siemens.com/answers

CHIAROSCURO

14 | Quick takes on major events of the last fortnight

FOCUS

16 | Hold-ups on Mauritius Route
Unclear terms in the India-Mauritius tax treaty may stifle the FII romance with India, says Sudhir Kapadia

18 | Policy

20 | Finance

22 | Tech Review

27 | Advertising

28 | Graphiti: Going to Town

30 | Interview: Klaus Entenmann, Chairman, Daimler Financial Services AG

32 | Etcetera

FEATURES

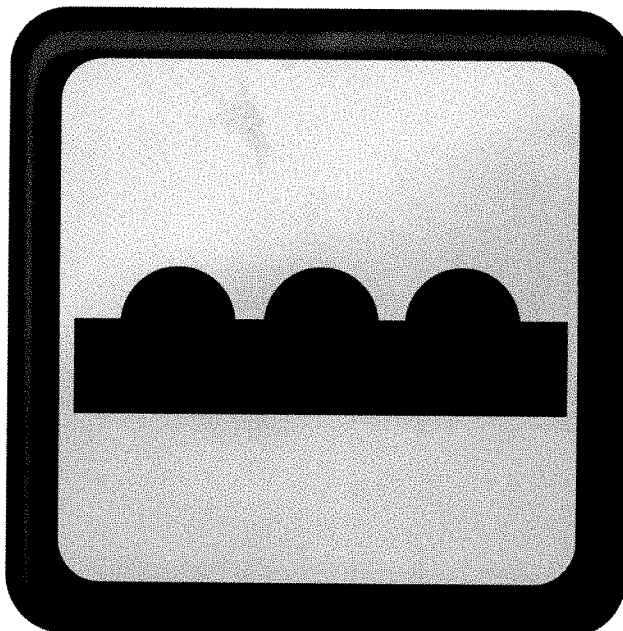
36 | INTERVIEW:
Subir Gokarn

38 | COLUMN:
Frozen in the Headlights

40 | Printing Money
If everything is online these days, why are printer sales rising?
HP's Vyomesh Joshi explains

42 | Betting on Low
Sound as their strategy is in heading overseas, Indian low-cost airlines better have deep pockets to survive and thrive

78 | Shining in His Own Light
Sanjiv Goenka, unlike his forefathers, prefers to build companies rather than acquire them. He is now taking his legacy to the national stage



COVER BY KAPIL

COVER STORY

46 | Rough Ride

As India's ambition to become a global auto hub is curbed, manufacturers focus on the domestic market. But that is where the turmoil is

SPECIAL

60 | Growth Engines

Some of the companies that Indian taxpayers own have done very well over two decades of reforms

62 | IOC

68 | ONGC

64 | SAIL

70 | NTPC

66 | Coal India

72 | LIC

67 | SBI

74 | Hindustan Copper

76 | COLUMN: A Poor Policy for the Poor



78

84 | Taking a Hard Look

Will Chairman Deepak Kapoor be able to protect PwC India's fiercely independent legacy?

88 | In Search of a Niche

Mid-sized IT companies scramble to remain relevant as cost arbitrage falters

92 | Thought for Food

That is what MNCs have on their minds as they devour the opportunities in India's food contract and support services sector

96 | Hamied's Tough Options

At 75, Cipla is in fine fettle but its chairman faces challenges that are very different from those of the past

104 | Cinema's Born-Again Avatar

Hollywood has rediscovered the 3D format. India is following suit. But there are challenges ahead

108 | A Stronger Caffeine Kick

Branded chains are reworking their models as competition in the coffee retailing sector increases

MONEY

116 | Split Verdict

How do share prices react to stock splits? There is no fixed pattern

LBNL

120 | Break the Shackles

Indian horse racing badly needs a dose of reform

BOOKEND

124 | Banking on People

The autobiography of Bank of Baroda's ex-chief is riveting

SMART EXECUTIVE

125 | Walking the Ethical Tightrope

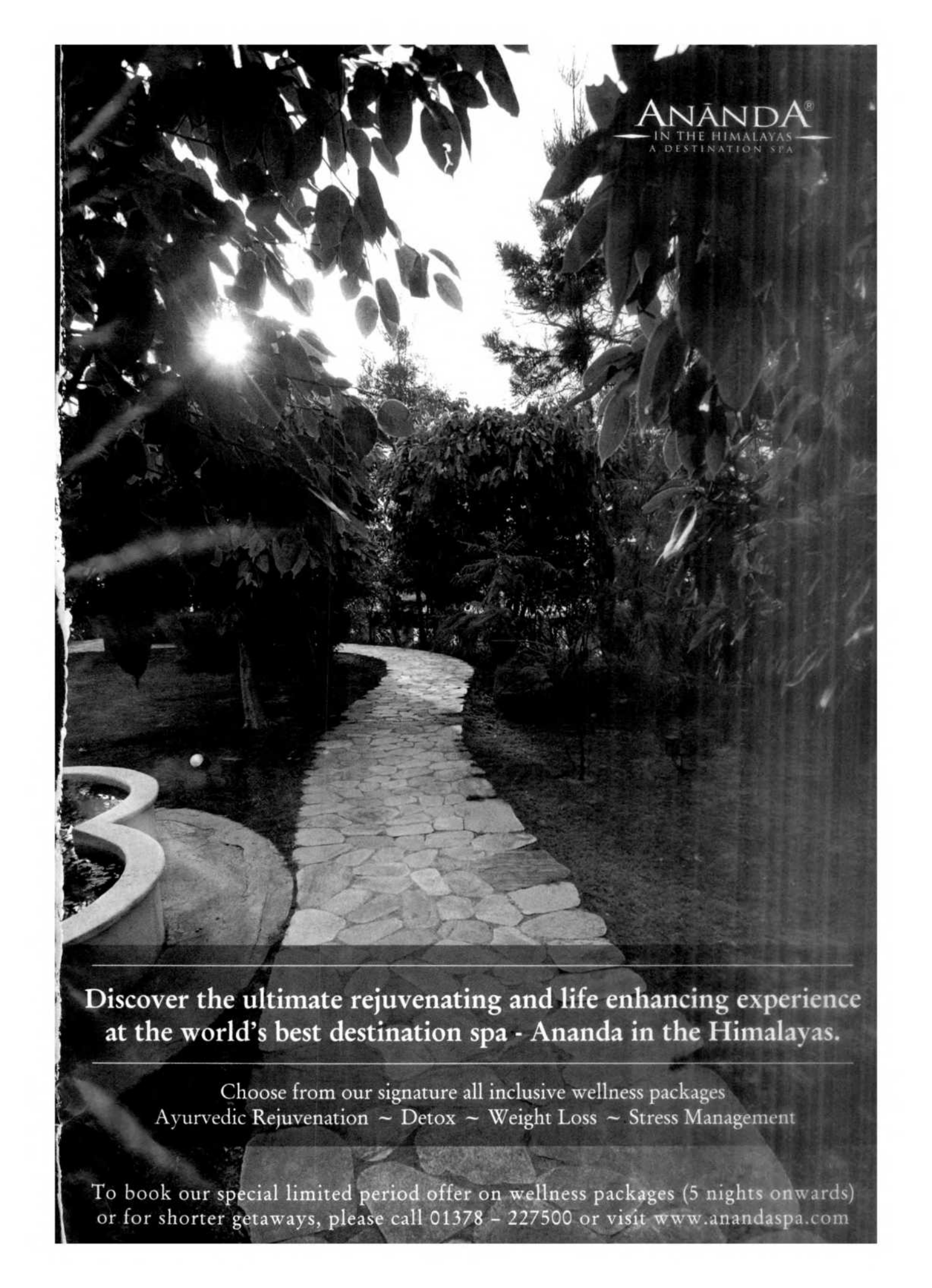
JOBS

127 | Loving it in Tokyo

Natural disasters notwithstanding, Indians are flocking to Japan

LEADERSPEAK

138 | Peter Gartenberg,
MD, SAP India



ANANDA®
IN THE HIMALAYAS
A DESTINATION SPA

Discover the ultimate rejuvenating and life enhancing experience
at the world's best destination spa - Ananda in the Himalayas.

Choose from our signature all inclusive wellness packages
Ayurvedic Rejuvenation ~ Detox ~ Weight Loss ~ Stress Management

To book our special limited period offer on wellness packages (5 nights onwards)
or for shorter getaways, please call 01378 - 227500 or visit www.anandaspa.com

Time to Act, Fast

The Indian economy is well and truly past the slowdown and is poised to reach an even higher growth trajectory. However, an impending energy crisis could play spoilsport. Your cover story (*The Shock Around the Corner*, August 7) shed light on the various causes of the crisis and suggested possible ways of overcoming it. It is quite distressing to note that we face this crisis despite the existence of adequate sources of energy. The inherent policy deficiencies need to be plugged on a war footing before it is too late.

B. Rajasekaran, Bangalore

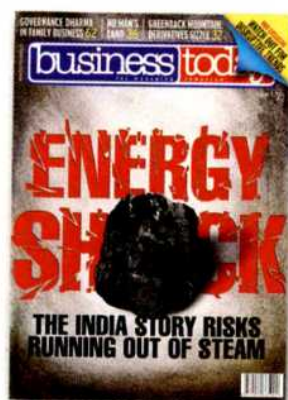
Energy Lag

Your cover package (*The Shock Around the Corner*, August 7) has nicely highlighted one of the major hurdles India is facing in realising its development goals. Energy is fundamental to growth and in India there is serious shortage of it. But sadly, the Centre is not doing enough to tap the renewable sources available. Rising energy costs and shortage of fossil fuel feedstock will certainly destroy India's dream of becoming an ideal manufacturing hub in the future.

Ratul Dey, Noida

Land and Law

Land acquisition (*No Man's Land*, August 7) has become a contentious issue with conflicts arising frequently in different parts of the country. The loopholes in land-related laws are



Energy is fundamental to growth and in India there is serious shortage of it. But sadly, the Centre is not doing enough to tap the renewable sources available

detrimental to the economy. The land owners are inadequately compensated in some cases, while the soaring price of acquired land after a change of land use hurts the end-users who purchase real estate. The solution lies in bringing greater transparency to the market. Clear and transparent rules for acquiring land, proper compensation to land owners and rules around approvals and governance around delivery of end products to consumers is urgently required.

Bithi Dutta, Puducherry

Correction

The caption of the photograph accompanying the story 'Strong Constitution' (BT, August 7) is incorrect. It should read "G.M. Rao (left) with elder son G.B.S. Raju". We regret the error.



www.businesstoday.in@coverstory: *The Shock Around the Corner* (July 24) is a look at India's energy scenario and the future ahead

www.businesstoday.in@coverstory: *The Money Masters* (July 24) is *Business Today* and YES Bank's second listing of India's top CFOs

BT SCRAPBOOK

- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in



WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor,
E-1, Jhandewalan Extension, New Delhi-110055.
E-mail: letters.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57,
Noida (U.P.) - 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900
(Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com



RADO
SWITZERLAND

Unlimited Spirit

RADO STORES: **NEW DELHI:** Connaught Place, Ph: 43575253. **NOIDA:** Great India Place Mall, Ph: 4210121. **GURGAON:** Ambience Mall, Ph: 4665607. **KOLKATA:** Forum Mall, Ph: 22814466; Mani Square Mall, Ph: 40002954. **HYDERABAD:** Banjara Hills, Ph: 23420070. **MUMBAI:** Borivali (W), Ph: 28337244; CR2 Mall, Ph: 67439856. **COCHIN:** Oberon Mall, Ph: 4060336. **AHMEDABAD:** Navrangpura, Ph: 26442802. **CHENNAI:** Ampa Mall, Ph: 42613000; Express Avenue Mall, Ph: 28464224. **BANGALORE:** Mantri Square Mall, Ph: 30160121; The Collection, UB City, Ph: 40982107.

No Man's Land



An unprecedented number of land acquisition projects are underway as developers and governments embrace infrastructure and industrial growth. But land acquisition is proving to be one of India Inc's greatest challenges. It is no easy deal for the farmers who sell their fertile lands either, finds Puja Mehra.

■ See photos and hear audio clips from farmers affected by in the contentious Yamuna Expressway project.

business today.in/land



Web Exclusives

RBI in a Tight Spot

As the US debt crisis continues, RBI may find itself in a tight spot, says Rajiv Bhuva.

business today.in/debt-crisis

Irony in Karnataka

K.R. Balasubramanyam examines the checkered past of former Karnataka Chief Minister B.S. Yeddyurappa.

business today.in/bsy

Blogs



Word Mentality NEW

Resident "word nerd" Uma Asher campaigns against clichéd language.

» business today.in/uma



Book Bazaar NEW

Who'll dominate the bestseller list – Ghosh or Adiga, wonders Debashish Mukerji.

» business today.in/debashish



Shot Down NEW

Photo editor Vivan Mehra gets the top cros to strike a pose.

» business today.in/vivan



Occasionally Productive

The makers of BlackBerry face tough competition, says Kushan Mitra.

» business today.in/kushan



Surround Sound

SBS Microfinance raises funds just one year after its IPO, finds E. Kumar Sharma.

» business today.in/kumar



Umbrella Blog

The Disney deal is business as usual for Ronnie Screwvala of UTV, says Anusha Subramanian.

» business today.in/anusha

Start-up Today

Easy ways to market-test your start-up idea, from Taslima Khan.

business today.in/startuptoday

Letter from the Editor »

business today.in/editor

UTILITY TOOLS

» Risk Calculator

Analyse your risk tolerance and decide your investment approach.

» Tax Calculator

Find out how much tax you need to pay depending on your income and investments.

» Education Plan

Calculate and plan for your child's expenses.

ON MOBILE

Hot New Management Tip

Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Should the government forcibly displace farmers who refuse to sell their land?

Type "BTPOLL Y" for Yes.

Type "BTPOLL N" for No.

SMS to 52424

Readers can also participate in the poll at www.business today.in
Powered by Zergo India
www.2ergo.com

e-newsletter

Register for free and subscribe to *Business Today's* e-newsletter.
business today.in

Read Now on

ZINIO: business today.in/zinio

KINDLE: business today.in/kindle

» Retirement Plan

Find out how to maintain your current lifestyle after retirement.

» EMI Calculator

Know how much equated monthly installment you will pay on your loan.

» Business Tips

Hot tips to keep you ahead of rivals in business.

Give the rains a royal welcome



THE LEELA PALACE

UDAIPUR

Monsoon Escapes

Valid through 30th September 2011

Lake View Room	INR 18,500*
Heritage View Room	INR 20,500*

Enjoy a complimentary third night when you stay a minimum of two nights.

*Rates are per night, double occupancy, exclusive of taxes; some conditions may apply.

For reservations call 1800-222-444 (MTNL & BSNL), 6000 2233 (others), contact us by e-mail at central.reservations@theleela.com or visit our website at www.theleela.com.

Kempinski
HOTELS & RESORTS

 global hotel alliance

Preferred
HOTELS & RESORTS



The corner office on the road.

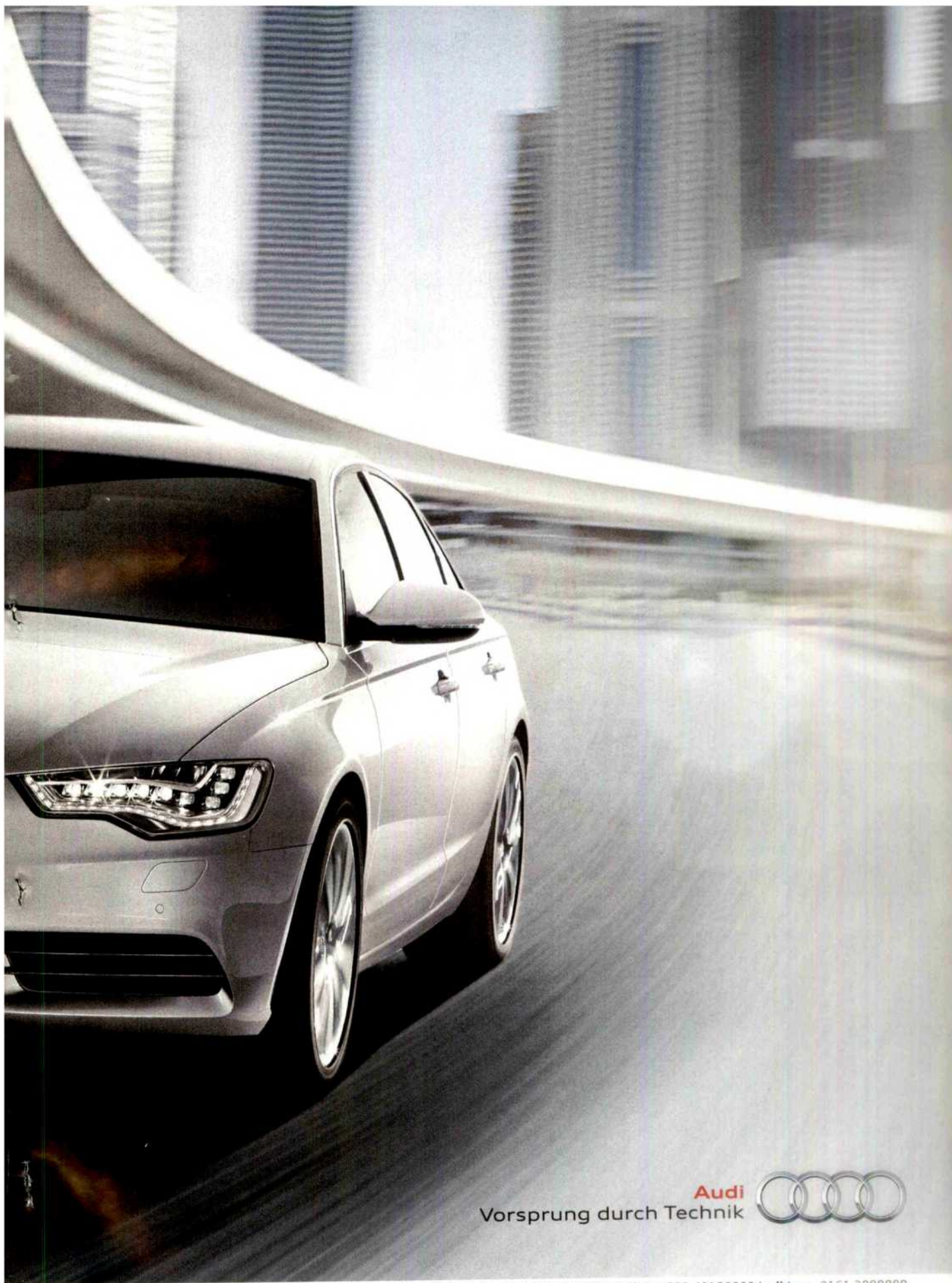
The all-new lightweight Audi A6. The best of business luxury.

The all-new Audi A6 creates a class of its own; the class of business luxury. It's equipped with quattro® – our revolutionary permanent all-wheel drive – and the dynamic TDI and FSI engines. Along with features like the intuitive MMI touch, lightweight aluminium hybrid construction and all-LED headlights, the new Audi A6 merges practicality with indulgence as you travel, be it to the boardroom, golf course or the private tarmac.

Adaptive air suspension | Audi parking system with rear view camera | quattro® | MMI® touch | Aluminium hybrid construction

Audi Finance To book a test drive, visit audi.in  facebook.com/audiindia Accessories shown may not be a part of standard equipment.

Authorised Dealers: Ahmedabad: 0 9998600030 Bangalore: 080 28521547 Chandigarh: 0172 3088888 Chennai: 044 45600456 Delhi: 011 46007300
Mumbai West: 0 9004077777 Pune: 020 41004747 Audi Call Centre: 1-800-103-6700, 1-800-209-6700



Audi
Vorsprung durch Technik



Gurgaon: 0124 4510200 Hyderabad: 040 23324545 Jaipur: 0141 2370434 Kochi: 0484 4147777 Kolkata: 033 40156666 Ludhiana: 0161 3088888
Creativeland Asia



Reality Check: A decision by the Allahabad High Court that land acquired in the Greater Noida region should be returned to farmers has left home buyers there in the lurch. The court has permitted an out-of-court settlement for the home buyers by August 12.

US President Barack Obama is fighting the debt monster with his back to the wall. Faced with strong Republican opposition to a proposed debt ceiling, Obama appeared on television asking his countrymen to pressure Congressmen to avoid a default on international obligations. If all else fails, this will be America's first-ever default, and downgrading of its AAA credit rating. This would also mean the government not having enough to pay monthly social security checks, veterans' benefits and bills relating to contracts with thousands of businesses. Interest rates

Corporate

Should Hindustan Unilever be opening the bubbly? India's biggest FMCG major saw its net profit rise 17.62 per cent to ₹627.18 crore for the June quarter. HUL Chairman Harish Manwani credited "innovations, market development and a relentless focus on execution" for the achievement. In a *BT* cover story (June 12), Manwani had said Unilever Plc, HUL's parent, wants revenues from emerging markets, currently at 53 per cent now to rise to 70 per cent. India and Brazil are the main ones in focus. See <http://bit.ly/HULisback>

India is close to allowing FDI in retail. The committee of secretaries has okayed **51 per cent foreign ownership in multi-brand retail**. The next port of call for the regulatory change will be the Cabinet Committee on Economic Affairs. Wal-Mart, Carrefour, Tesco and Metro are among those waiting to enter.

Reliance Industries is hogging headlines again. After the controversy over its D-6 oil fields in the KG Basin in Andhra Pradesh, which came under the Comptroller and Auditor General's scanner, it has some news for cheer. The Cabinet Committee on Economic Affairs has agreed to the company's proposal to offload 30 per cent stake, for \$7.2 billion, in its hydrocarbon blocks to British Petroleum Plc. Separately, RIL's net profit in the April-June quarter rose 16.7 per cent to ₹5,661 crore, with refining operations offsetting a lower gas output and petrochemicals margins. It remains to be seen where and how it will deploy its huge pile of cash and securities of ₹45,775 crore. BP, meanwhile, is getting over its hangover of the Gulf of Mexico oil spill. Its net income was at \$5.6 billion for the June quarter, up from a record loss of \$17 billion a year ago.

Make the PM, Cabinet co-accused in the 2G scam, said former Telecom Minister A. Raja, now in jail. He later retracted the demand to drag Manmohan Singh into the case but former Finance Minister P Chidambaram, and Attorney General G.E. Vahanvati were not spared. Raja wanted them, as also the entire Cabinet, made co-conspirators for approving his spectrum decisions. Former Telecom Secretary Siddharth Behura wanted D. Subba Rao, former Finance Secretary and now RBI Governor, named as co-accused.

No longer willing to live with the world's lowest charges, **India's telecom firms have raised tariffs**. Bharti Airtel has hiked them by 20 to 50 per cent for prepaid subscribers on some calling plans; Tata DoCoMo, Vodafone Essar and Idea Cellular have followed suit. Buying 3G licences and equipment at a time when revenues were sliding left the companies with little option.



would skyrocket on credit cards, mortgages and car loans - in effect, a huge tax hike.

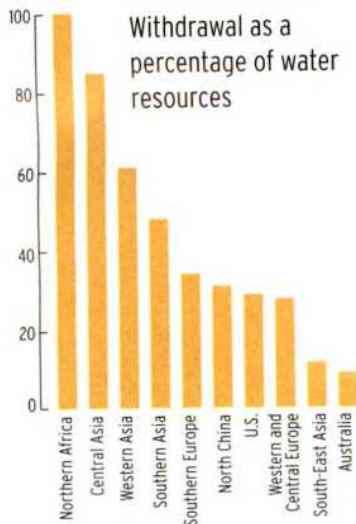
This may mean the end of James Murdoch's dreams. Media reports say News Corp is sounding out its biggest shareholders on Chairman Rupert Murdoch's succession plan and his family's control. They have also been asked about the independence of News Corp's board, its dual class structure and corporate governance. Meanwhile, the FBI is probing if charges can be brought against the company over claims that it hacked into a rival's website for access to phone records of victims of the 9/11 attacks.

Economy

There is no reform fatigue and Indian economy is in fine fettle, says Finance Minister Pranab Mukherjee. Speaking to reporters, he stuck to the Economic Survey's growth projection of nine per cent (plus or minus 0.25 per cent). Bills on land acquisition, mining and mineral development, food security and the Lokpal are slated for the Parliament monsoon session that began August 1.

Water Worry

Withdrawal as a percentage of water resources



Source: Citi research

With 70 per cent of the global population expected to live in urban areas by 2050, sharing of **water resources will be the next big geopolitical flashpoint**. Not just Africa, even large parts of Asia have high levels of water withdrawal relative to available resources.

Air India is really in a squeeze. The national carrier **has not paid salaries for two months**, and is unlikely to do so for July, say media reports. There are loss-making PSUs and then there are some gems. Turn to page 60.

7.33%

Food Inflation for the week ended July 16, its lowest level since February 2009, as pulses became cheaper. It stood at 7.58 per cent the week before. Still onions are at least 20 per cent more costly than they were a year ago; overall vegetable prices stay about 8 per cent higher than they were a year back.

₹190 Cr

Amount collected by SEBI through consent orders, a move for speedy disposal of cases, till March 31.

\$2.09 bn

Morgan Stanley's second quarter revenue from fixed income trading, pipping Goldman Sach's \$1.6 billion for the first time. In investment banking, too, the former generated \$1.47 billion, compared to \$1.45 billion by the latter.

Markets

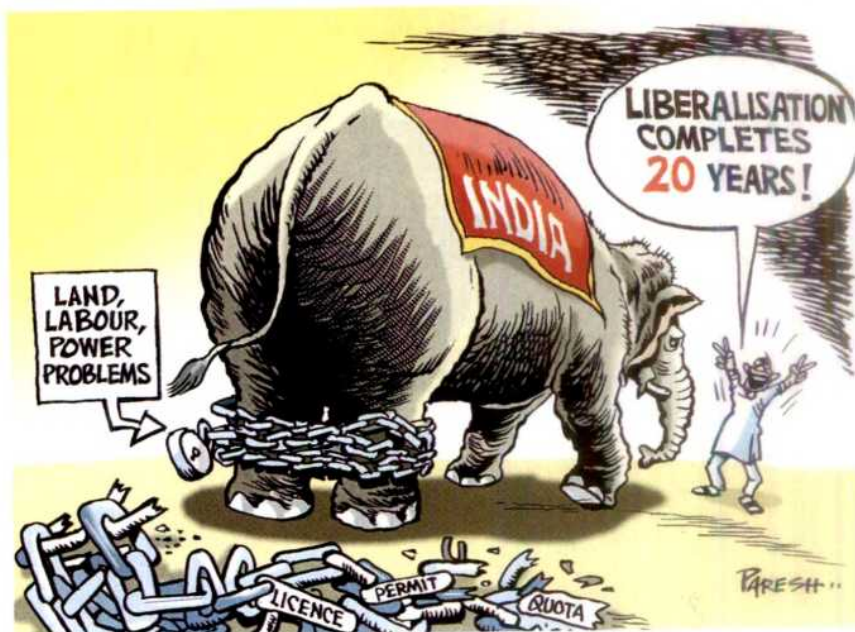
Brace for expensive personal and corporate loans. The **Reserve Bank of India has hiked the repo rate**, at which it lends to banks, to eight per cent and the short-term borrowing (reverse repo) rate to seven per cent. This is the 11th time since March, 2010, that RBI has raised the interest rate to check inflation, now ruling at over nine per cent. Signalling that the worst is not over, RBI revised its inflation projection for March 2012 to 7 per cent from the earlier six per cent. Industry groups are worried that RBI move will hurt growth. See Page 36

The Securities and Exchange Board of India has proposed new takeover norms. For acquirers, it has raised the mandatory public offer threshold trigger to 25 per cent from the earlier 15 per cent. The buyer will have to make a public offer for another 26 per cent, if the proposed norms become law. In doing so, SEBI rejected a proposal from its panel that would have required acquirers to buy all the shares of the target.

Coming Up

More professions in the services sector are likely to fall in the tax net, according to V.K. Garg, Joint Secretary, ministry of finance. A negative list of taxation, listing items that will not attract tax, is also on the anvil. Meantime, the appointment of Bihar's Deputy Chief Minister and BJP leader Sushil Modi as the head of panel is expected to speed up the rollout of Goods & Services Tax.

An independent National Environment Appraisal and Monitoring Authority will completely change the process of granting environmental clearances to industrial projects. The regulator will help protect ecology without the hated licence permit raj of the pre-1991 period, said Prime Minister Manmohan Singh.



- 18 Reform of the Prodigal
- 27 Spoofs Strategy
- 28 Going to Town
- 32 Doggie Spa



Unclear terms in India-Mauritius tax treaty may stifle the FII romance with India, says SUDHIR KAPADIA

The first “attack” on the (mis)use of the

16 BUSINESS TODAY August 21, 2011

The ruling, however, created great uncertainty among FIIs in particular and foreign investors in general, leading to a free fall in the Indian capital markets. The Central Board of Direct Taxes promptly issued clarifications saying Mauritius entities would be eligible for benefits under the DTAA if they obtained a bona fide Tax Residency Certificate. The matter went right up to the Supreme Court (referred to as the Azadi Bachao Andolan case), which ruled that as long as legally tenable agreements had been entered into by the parties concerned those had to be respected and any consequential tax benefits could not be denied to them on the ground of "substance over form".

The Mauritius controversy resurfaced five years later, when the Bombay High Court upheld the action of the tax officer who denied a 'nil withholding tax certificate' to a Mauritius entity (E*Trade) for capital gains made on sale of shares in an Indian company. E*Trade then approached the Authority of Advance Rulings, or AAR, which upheld the treaty benefits based on the Supreme Court's decision in the Azadi Bachao Andolan case. However, the Supreme Court has admitted a special leave petition, or SLP, filed by the tax authorities against the AAR ruling in the E*Trade case.

We now have another Bombay High Court judgment in a case involving AB Nuvo and Tata Industries Limited, or TIL. The key issues before the court were whether the capital gains on transfer of shares of Idea Cellular Limited, or ICL, from AT&T Mauritius to AB Nuvo as well as transfer of AT&T Mauritius shares from AT&T US to TIL were taxable in India and whether AB Nuvo and TIL could be regarded as representative agents of AT&T US for recovery of Indian taxes.

The court noted the key facts under the original joint venture agreement in which the obligation to subscribe

and own shares of ICL was on AT&T US, and all rights over the shares vested with AT&T US and payments made by AT&T Mauritius were on behalf of AT&T US. Accordingly, the court held that even though shares were registered in the name of AT&T Mauritius, it could not be treated as legal or beneficial owner. Moreover, the court held that the tax authorities were justified in proceeding against AB Nuvo and TIL and treating them as representative agents of AT&T US for recovery of Indian taxes, even though AB Nuvo had obtained the nil withholding tax certificate from the tax officer and TIL had paid withholding tax along with interest to the tax authorities.

Whilst the Bombay High Court judgment seems to be based on specific facts of the case, it has again created uncertainty over the use of Mauritius as a route for foreign investments in India. It also has grave implications for the buyers of shares in Indian companies. Here was a case where both the Indian parties involved had duly complied with the withholding tax process, but are now having to defend proceedings against them right through the Supreme Court when, in fact, the income obviously belongs to the foreign company. This creates a lot of uncertainty among purchasers over tax obligations.

These developments have cast fresh doubts over the use of Mauritius as an investment route. From an overall foreign investment climate perspective, India should seriously consider incorporating definitive conditions in the Mauritius treaty (like in the case of the treaty with Singapore) under which benefits will be available. This will spell out the circumstances under which treaty benefits will not be sought to be denied by the revenue authorities.

The author is National Tax Leader at Ernst & Young. Views expressed are personal

KAPADIA'S TAKE

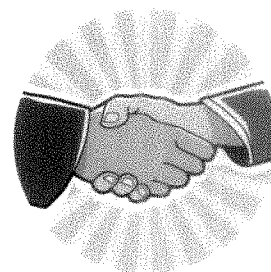
FII's have been using the Mauritius route to invest in India since the 1990s

They have been using the India-Mauritius taxation treaty for tax benefits

Recent court rulings on tax benefits and obligations have caused uncertainty

The treaty needs to clearly spell out the conditions for giving tax breaks

WORDSMITH (NEW WORDS IN BUSINESS)



Onboarding

What it means:

Onboarding is the process of integrating new hires in a company. It normally includes filling up employment forms, orientation and training, and allotting employee codes, cards and work stations.

Origin:

The word came into existence in the 1970s, but gained popularity in business circles only in the last decade. It began being used when companies started putting emphasis on preliminary training for new hires.

Usage:

"There is a three-day onboarding programme for new employees."

Reform of the Prodigal

The microfinance industry needs a dedicated regulator, not the RBI. By MANU KAUSHIK



What's proposed? The Ministry of Finance recently released the draft Microfinance Institutions (Development and Regulation) Bill 2011, aimed at providing a common regulatory framework for the microfinance industry in India, as well as greater protection to borrowers. Broadly, the Bill proposes to make the Reserve Bank of India, or RBI, the sole regulator of the sector, while setting up microfinance development councils to assist the government in framing policies. It also envisages starting a fund for staff training, capacity building and implementation of new technologies, and creation of credit information bureaus to assess overindebtedness among clients due to multiple borrowings. The ministry is seeking comments from stakeholders before sending the Bill to Parliament for clearance. Once it becomes law, it will supersede all state laws such as last year's Andhra Pradesh ordinance banning microfinance institutions, or MFIs, from collecting payments from borrowers, following allegations of coercive practices employed by them.

What will change? The Bill brings under RBI's purview all institutions offering microfinance services, including not-for-profit ones like trusts and societies as well as for-profit ones like the non-banking finance companies, or NBFCs, which account for some 80 per cent of the total

outstanding loans in value terms. The previous draft Bill had proposed the National Bank for Agriculture and Rural Development as the regulator and excluded NBFCs from the list. The new Bill also legitimises other services offered by MFIs such as insurance, remittances, collection of thrift, and pension schemes. It allows MFIs to collect thrift and small savings by micro-clients that can be used to meet emergency credit needs. At present, NBFCs are not permitted to collect savings on behalf of their clients.

Advantages: The Bill empowers self-regulatory outfits such as Microfinance Institutions Network and Sa-Dhan to take strict actions against erring MFIs. "The endeavour is to provide multiple layers of consumer protection and avoid recurrence of incidents like those that happened in Andhra Pradesh," says Vijay Mahajan, founder of Hyderabad-based MFI Basix, whose firm cannot stay afloat for a long time if he doesn't get fresh loans from banks. Basix loan book has shrunk to around ₹1,000 crore from ₹1,808 crore in September last year. Banks are not willing to lend money to MFIs as there's uncertainty around the future of the industry. Mathew Titus, Executive Director of Sa-Dhan, says the Bill also shows the government's concern for the industry. "The Bill signals the government's intention to stabilise the industry," SKS Microfinance, the only listed MFI in India, reported its worst-ever quarterly results recently by posting a net loss of ₹218.74 crore for the quarter ending June 2011, compared to a net profit of ₹66.69 crore in the same quarter last year. Losses were largely on account of huge write-offs, as the company suffered large-scale defaults.

What more needs to be done? Mahajan of Basix believes there should be a separate regulatory authority for the sector. "This sector affects a large population. The total outstanding loans to people through both MFI and SHG (self-help groups) models add up to around ₹50,000 crore. But the industry works with nearly 110 million households who deserve a dedicated regulator," he says. "Pakistan and Indonesia have microfinance banks that raise resources on one side and lend on the other. They are not dependent on any other institution and even their transaction costs are much lower."

godrej interio



KUBIX

GREENGUARD Certified
Task Seating



WANT A HEALTHIER OFFICE? JUST PULL UP A CHAIR.

It doesn't take a big transformation to create a healthier environment. Just a small step. Godrej Interio presents the thoughtfully designed ergonomic range of office chairs. Now provide your employees exactly what they need to stay fit and productive.

Executive Chairs | Managerial Chairs | Workstation Chairs | Computer Chairs | Multipurpose Chairs |
Lounge Seating | Public Seating | Auditorium Chairs

Email: wellness@godrej.com Website: www.godrejinterio.com

The Green Advantage

Green stocks have not just outperformed the broader market but are also less volatile. By RAJIV BHUVA

GRIST FOR THE DEFICIT MILL

INDIA'S FOOD SUBSIDY BILL FOR 2011/12 RISES OVER 50 PER CENT

₹60K CRORE

The original budgetary allocation for food subsidy during 2011/12

₹95.3K CRORE

The actual subsidy bill for 2011/12 on account of higher payouts to FCI and states for foodgrain procurement

₹34.7K CRORE

The net increase in the food subsidy bill due to record buying during agricultural year 2010/11 (July to June)

OVER 5%

The expected fiscal deficit as a percentage of gross domestic product during 2011/12 as against 4.6 per cent estimated in the Budget

Note: Figures have been rounded off

What it is: If you are an investor who feels strongly about eco-friendly business practices, you could consider migrating to a 'green' portfolio based on the Verdurous India Index, or Verdurous 25. This is a modified market capitalisation-based index comprising 25 companies listed on the National Stock Exchange, or NSE. Conceptualised by Mysore-based Verdurous Solutions, a consultancy on clean-tech initiatives, the index aims at assessing the 'greenness' of the Indian economy, and hence goes beyond the pure-play renewable energy companies like Suzlon Energy, Praj Industries and Indowind Energy, to old economy manufacturing companies like Bajaj Hindustan, ITC and Shree Renuka Sugars, which have adopted extensive green practices.

How it works: The companies in the index have been handpicked based on their environmental impact. So while the first category includes those that help the planet heal itself, the second comprises firms whose operations have a minimal negative impact on the planet. That includes about 10 companies that have had their green footprint audited by New Delhi-based Centre for Science and Environment, under the Green Rating Project sponsored by the United Nations Development Programme and the Union Ministry of Environment and Forests. The base date for index computation with a base value of 1,000 is June 5, 2009. The index keeps track of stock-splits, bonus share issues, changes in revenue mix, and adjustments are made on the ex-date (usually two days ahead) of the corporate action. The market value of the firm is updated to provide for the revised number of shares outstanding. Daily returns are available from January 1, 2010.

Advantages: The Verdurous 25 stocks

have not only delivered superior returns on investment during the past year but are also less volatile relative to the broader, more generalised S&P CNX 500 index. For the year ended June 5, 2011, the index delivered returns of 12.40 per cent compared to 6.39 per cent for CNX 500. Also, since the market peak on January 7, 2008, the Verdurous India Index has lost 7.94 per cent (annualised) at a lower price of risk, compared to CNX 500 which has lost 8.16 per cent (annualised).



SANTOSH

computed on a daily return basis. But is the comparison with the much larger CNX 500 fair? Sunderasan Srinivasan, Economist at Verdurous Solutions, thinks it is. "A larger portfolio is intended to even out disturbances in specific sectors through conscious diversification. In theory, a larger index should be less volatile," he says.

Global Experience: Internationally, there is a similar index called S&P/IFCI Carbon Efficient Index, which measures the performance of investable emerging market companies with relatively low carbon emissions while closely tracking the returns of the S&P/IFCI LargeMidCap Index. There is also the Cleantech Index, or CTIUS, a growth stock index comprising 77 companies across sectors that are global leaders in clean tech.



India. A World of Difference Just a Hilton Away

Warm, vibrant and inviting. Enjoy all of India's diversity with Hilton Hotels in Chennai, Mumbai and New Delhi.

From colourful traditions to rich cultures, experience the sights, sounds and scenes of India that will stir your imagination like never before.

Discover a whole new world in India where there is always a Hilton awaiting you.

**For more information and to make a booking, visit hilton.com/india
or call 000 800 440 1071.**

Hilton Chennai
Hilton Mumbai International Airport
Hilton New Delhi/ Janakpuri
Eros Hotel - Managed by Hilton New Delhi Nehru Place



SoundHound

 Amazingly accurate on songs from speakers, fast recognition

 Slightly heavy application; no BlackBerry app

Available on:
iOS (iPod Touch, iPhone, iPad);
Android (2.1 and above); Symbian S60 (S60 Series 5) - Basic version free



A MUST-HAVE APP FOR SMARTPHONES AND AN AFFORDABLE MEDIA PLAYER

Music Explorer

There are several amazing applications you need to download for your smartphone. Angry Birds being at the top of the list. But this application, SoundHound, is beyond amazing. Ever listened to a song on the radio whose name you could not remember? Ever hummed a tune in your head but could not for the life of you remember who sang it? Well, this application answers all these questions, with a detailed response providing you song lyrics, artiste biographies and more. The application does all this using a technology called 'Sound2Sound', which analyses song wave forms and sounds. But you really do not need to know the underlying technology. It works, and it works fast.

Onida NexS HD Media Player

 Affordable, plays most High-Definition formats

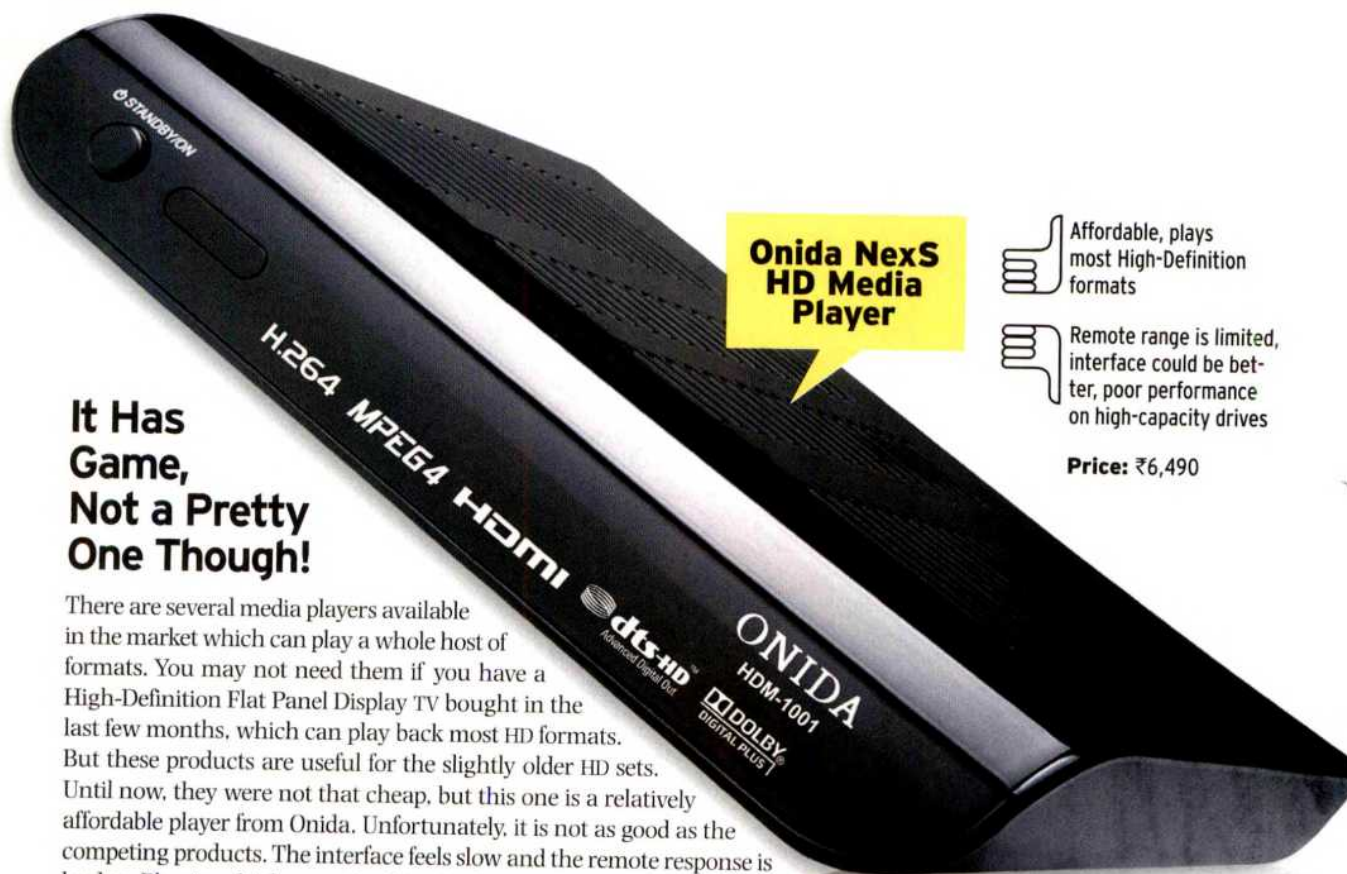
 Remote range is limited, interface could be better, poor performance on high-capacity drives

Price: ₹6,490

It Has Game, Not a Pretty One Though!

There are several media players available in the market which can play a whole host of formats. You may not need them if you have a High-Definition Flat Panel Display TV bought in the last few months, which can play back most HD formats. But these products are useful for the slightly older HD sets. Until now, they were not that cheap, but this one is a relatively affordable player from Onida. Unfortunately, it is not as good as the competing products. The interface feels slow and the remote response is leaden. Plug in a high-capacity drive (in this case, a 500 gigabyte drive) to any of the two USB ports, and the device goes apoplectic with rage at having to process so much information. So, one is best off transferring data to smaller pen drives, which seemingly defeat the purpose of the device.

KUSHAN MITRA



dinner light



jogging
light



cafe
light



midday
light

Whatever the light,
see better with Transitions lenses.

Your day takes you through many different shades of light. Ordinary spectacle lenses don't respond to these varying light conditions. Only Transitions lenses are engineered to adapt to the ever-changing shades of light, reduce eye strain and help you see better in every light.

Transitions
ADAPTIVE LENSES

Transitions and the Swirl are registered trademarks of Transitions Optical, Inc. 2011

IS THE GOVERNMENT SERIOUS ABOUT CRACKING DOWN ON BLACK MONEY?



Results of BT online poll;
No. of respondents: 157

An overwhelming majority of respondents has answered in the negative, reflecting the general lack of faith in the government's assertions of dealing resolutely with black money. Two recent developments have reinforced this feeling: the promptness with which the government cracked down on anti-corruption protests and the alacrity with which it challenged a Supreme Court order setting up a special team led by a judge to probe black money, despite a government panel having been set up for the same purpose.

Next poll question:
Is inflation beyond the government's control?

Log on to
www.businesstoday.in

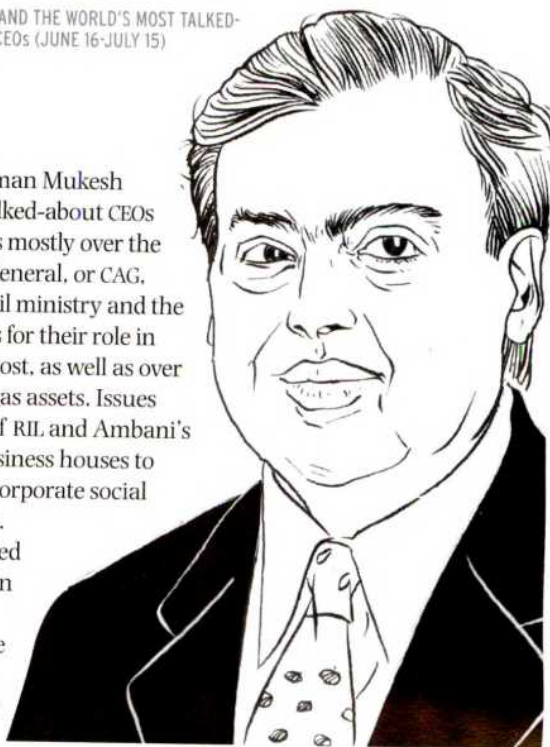
BT-CARMA

CEO WATCH INDIA'S AND THE WORLD'S MOST TALKED-ABOUT CEOs (JUNE 16-JULY 15)

Mukesh Ambani

Reliance Industries, or RIL, Chairman Mukesh Ambani topped the list of most talked-about CEOs in July as well. He was in the news mostly over the leaked Comptroller and Auditor General, or CAG, draft report, which criticised the oil ministry and the Director General of Hydrocarbons for their role in approving Reliance's KG-D6 field cost, as well as over BP buying a stake in RIL's oil and gas assets. Issues such as the tumbling stock price of RIL and Ambani's reported remarks calling upon business houses to adopt an Indianised approach to corporate social responsibility also made headlines.

N.R. Narayana Murthy received the highest favourable mentions in the media, mostly felicitations before his retirement, while all the four key accused in the 2G scam were again in the spotlight for the wrong reasons.



RAJAT BARAN

TOP 10 INDIAN CEOs



Ratan Tata



Anil Ambani

Rank	CEO/Company	No. of Stories	
1	Mukesh Ambani/Reliance Industries	65	▼
2	Ratan Tata/Tata Group	49	▼
3	Anil Ambani/ADAG	34	▼
4	Sharad Kumar/Kalaigarnar TV	31	▼
5	Shahid Balwa/Swan Telecom	15	▼
6	Sanjay Chandra/Unitech	13	▼
7	N.R. Narayana Murthy/Infosys	12	▼
8	R.C. Bhargava/Maruti Suzuki	10	▼
9	S. Gopalakrishnan/Infosys	10	—
10	Vinod Goenka/DB Realty	8	—

TOP 10 GLOBAL CEOs



Rupert Murdoch



Warren Buffett

Rank	CEO/Company	No. of Stories	
1	Rupert Murdoch/News Corp	251	▲
2	Josef Ackermann/Deutsche Bank	47	▲
3	Warren Buffett/Berkshire Hathaway	40	▼
4	Mark Zuckerberg/Facebook	38	▼
5	Antonio Horta-Osorio/Lloyds TSB	17	NEW
6	Alexey Miller/Gazprom	16	NEW
7	Jamie Dimon/JP Morgan	15	NEW
8	Brian T. Moynihan/Bank of America	11	NEW
9	Martin Winterkorn/Volkswagen	11	NEW
10	John Chambers/Cisco	10	NEW

For the
precious few
who value the
invaluable

Located on the
6-lane Gurgaon-Faridabad Expressway.
10 minutes from Chattarpur,
via Mandi Road farmhouses.

PROVENCE ESTATE



Nestled in the plush environs of Aravalis Green Belt with a grand Golf Course view • Ultra luxurious 160 sky villas (5,800 sq. ft.) and 16 Penthouses (10,000 sq. ft.) in four majestic towers of 24 floors each • Four sides open living • Select, Elite Gentry • Floor to ceiling height – app. 12 ft. • Multi level security system • Fully equipped gym, spa and club house • 10 acres of French landscaping • Fittings and fixtures from world's best brands • VRV air-conditioning • Personal splash pool and dedicated elevators • Various sports facilities •

Project designed by world-renowned Architects & Engineers:
CP Kukreja Associates

PMC Advisor: **AH Jones, UK.** • Constructions: **Ahlwalia Contracts**
Landscape Consultants: **Ruben Anderegg Associates, Switzerland**

0 KM FROM SOUTH DELHI

*pro*vence
ESTATE

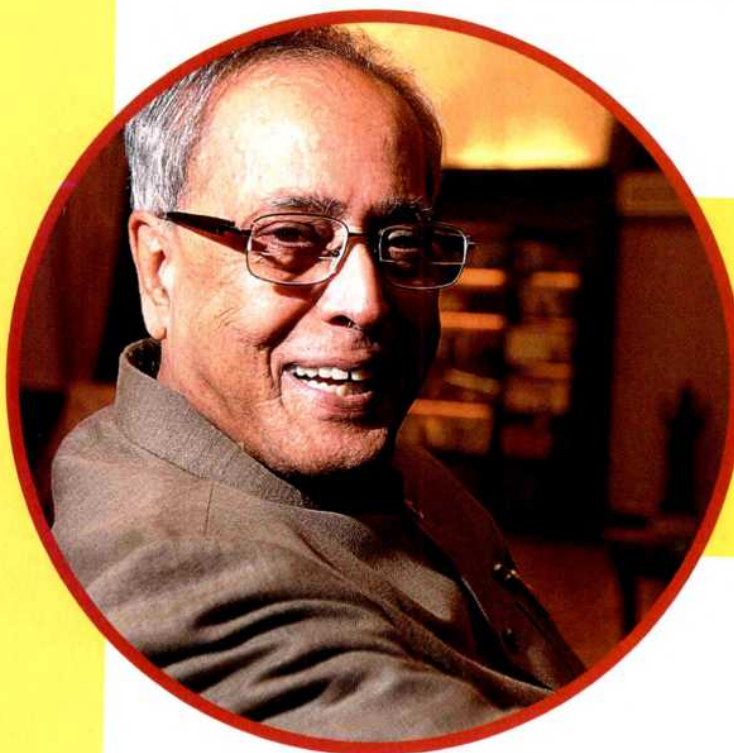
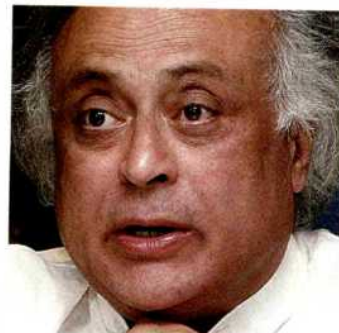
KRRISH GROUP

Email: info@provence-estate.com • Website: www.provence-estate.com
Toll Free No: 1800 102 1166



"The upward pressure on rural wages is a good thing. This, in turn, has challenged the rural power structure."

Jairam Ramesh, Minister for Rural Development, in an interview, in *The Economic Times*



"On growth, inflation and reform measures, there is an impression as if we have given up. I see no reason for such cynicism."

Pranab Mukherjee, Union Finance Minister, at a press conference, quoted by wire agencies

"I HAVE ASKED MY PEOPLE TO GO AFTER THE BIG FISH."

Vinod Rai, Comptroller and Auditor General of India, on the 2G scam arrests, in *Mint*

"In my 27 years in the industry, I have never seen a swing like this anywhere."

Michael Boneham, President & Managing Director, Ford India, on the sudden shift to diesel by automakers in India, in *Mint*



CLASSIC
BUSINESS
QUOTE

"Well, you know, I was a human being before I became a businessman."

George Soros, investor and philanthropist

One car, many moments.



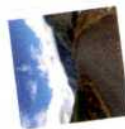
MARUTI SUZUKI
Way of Life!

086

“Action-packed trip in comfort was my Ritz moment”



After three months of research, I decided to buy Ritz, which was a dream come true. The entire next week was a holiday and I wanted to go on an outing, but the worry was my wife who was 4 months carrying. But Ritz solved it all and we did a long journey to meet up her favourite cousins. Everyday was action-packed, driving to scenic places in the hills, on the highway and in the countryside without a worry. Sometimes it was total adrenaline rush, sometimes just a relaxed drive. My wife enjoyed the trip in the comfort of Ritz and the smile on her face was my Ritz moment.”



Ritz
Live the moment

HOW MANY MOMENTS HAVE YOU LIVED?

www.marutisuzukiritz.com
f www.facebook.com/ritzbymaruti
t www.twitter.com/ritzbymaruti
Call Ritz & Ritz Sales
SMS RITZ to 53636
Call 1800 1800 11

- 60:40 rear split
- All-round visibility
- Spacious premium interiors
- Dash mounted gear lever



17.7 km/l PETROL 1.2 L

DDIS ENGINES
K SERIES ENGINES

21.1 km/l DIESEL 1.3 L

'European Tail-Boy Aerodynamic' Styling



As certified by New Age magazine Ritz is a 'New' (MAG 2004)

One car, many moments.



MARUTI SUZUKI
Way of Life!

“Adrenaline rush at Rohtang was my Ritz Moment”

23087

Once I decided to go to Rohtang valley in my Ritz. Many people suggested that I should not drive at an altitude of 3979m because it will be difficult for the car to go so high. But I took up this challenge. The roads to Rohtang valley were in a very bad condition but the drive was very comfortable and smooth. My Ritz moment came when we had to take a sharp U-turn. While many big cars tried three-four times, Ritz managed to take the sharp U-turn in a single shot. I was filled with pride driving my Ritz and am still living that moment.”



Deepak



Ritz
Live the moment

HOW MANY MOMENTS
HAVE YOU LIVED?

European
Tail-Boy
Aerodynamic[®]
Styling



21.1*
km/l
DIESEL

DDIS
ENGINES

K-SERIES
ENGINES

17.7*
km/l
PETROL



- 60:40 rear split
- All-round visibility
- Spacious premium interiors
- Dash mounted gear lever

www.marutisuzukiritz.com

www.facebook.com/ritzbymaruti

www.twitter.com/ritzbymaruti

SMS RITZ to 53636
Call 1800 1800 1800

*As certified by Test Agencies under New 15% of Category

Added Flavour

Spoofs can be an effective strategy for brands to grab attention - but not always. By DEARTON THOMAS HECTOR



Make it large

Do something different

Advertising that lampoons popular personalities, or spoofs rivals' efforts certainly garners attention. Recently, the McDowell's ad for No.1 Platinum soda, a spoof on cricketer Harbhajan Singh's 'Make it Large' commercial for Royal Stag's cricketing gear, was withdrawn after Harbhajan's mother Avtar Kaur sent a legal notice to the Vijay Mallya-led UB Group which makes the soda. The ad showed a Harbhajan look-alike saying 'Make it Large' and Indian captain Mahendra Singh Dhoni telling viewers that one should do something different to make it in life rather than "making it large".

No one is surprised. In most cases, spoof ads usually draw either a counter response from the affected brand or a legal notice. So why do brand heads persist with the strategy? "It is good for brands because such ads attract a lot more attention. Often, the news about such ads is more exciting than the ads themselves," says Josy Paul, Chairman and National Creative Director, BBDO India, an advertising agency.

Beverage brands have been particularly prone to taking digs at one another, be it Sprite's take on Pepsi's Youngistan ad or Pepsi's take on Thums Up's Akshay Kumar daredevil ad. Both Sprite and Thums Up are Coca-Cola India brands. According to marketing observers, in such cases the weaker brands tend to ride piggyback on the strength of bigger, rival brands. But brands also sometimes seek to tap into the appeal of a popular ad, for instance, the Pizza Hut ad based on the Naukri.com's Hari Sadu commercial.

The fight, however, is not always restricted to the television medium. In 2007, Jet Airways, Kingfisher Airlines and GoAir battled it out on outdoor hoardings. And in 2010, IndiGo took on

spiceJet in its print campaign - claiming competitors were adopting their ideas including that of serving sandwich boxes aboard flights.

But such tactics do not build brands. Says Titus Upputuru, National Creative Director of Dentsu India, who has worked on many spoofs: "In the fizz category, which is youth-centric, spoofs are a good option." But such ads can be a waste of time and money in other cases. Often such tactics point to a paucity of ideas: "Advertising is a profession where one has to come up with new

FAMOUS FOUR

POPULAR SPOOF ADS IN INDIA IN RECENT YEARS

Sprite's Hindustan vs Pepsi's Youngistan: Entering a girl's room need not be as tough as the Pepsi ad suggests

Pizza Hut's take on Naukri.com's Hari Sadu ad: Using the same actors, shows a benign 'Hari Sadu'

Pepsi's dig at Akshay Kumar's Thums Up ad: Actor's look-alike being told, Drink Pepsi, it is available everywhere

Jet Airways vs Kingfisher vs GoAir: Jet hoarding: We've changed. Kingfisher: We've made them change. GoAir: We've not changed. We're still the smartest way to fly.

ideas each time. These spoof ads are often shortcuts taken by ad professionals," says Manish Bhatt of ad agency Scarecrow.

But taking potshots can be fun. Brand and marketing consultant Harish Bijoor says: "All is fair in love and ads." So long as one can get away with it.

BT RETRO

(JANUARY 28, 2007)

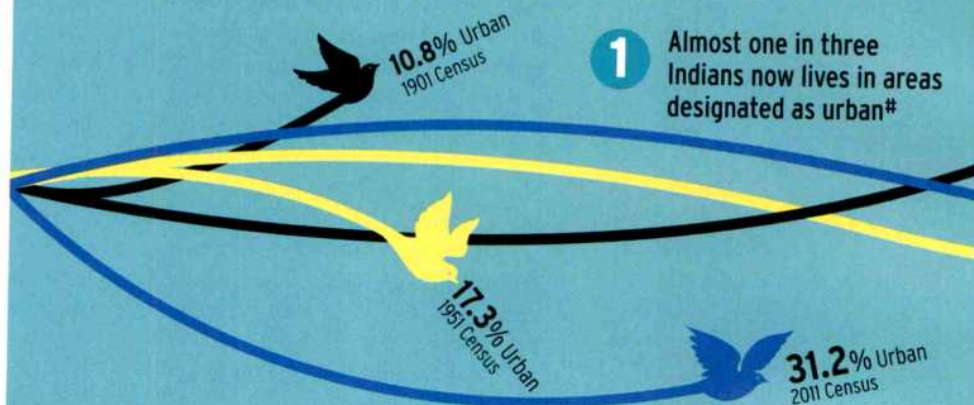
THEN: With some of India's biggest conglomerates - the Tatas, Reliance and Bharti - unfolding their game plan for organised retailing, it was only a matter of time before the ₹40,000 crore AV Birla Group got into the thick of the action as well. The group has made its first move by buying over Trinethra Super Retail, a multiple retail store based in the South. The acquisition will give the AV Birla Group control over Trinethra's 170 outlets spread across the southern states. Trinethra bought over Bangalore-headquartered Fabmall India's chain of convenience stores about two years ago. For the Birlas, this acquisition will be a useful starting point as far as a full-fledged retail foray is concerned. Trinethra is expected to hit a turnover of ₹350 crore (annualised) by March 2007, which will be double the previous year's turnover. The Birla Group has acquired a 90 per cent stake in Trinethra while the balance will remain with India Value Fund, which previously held 80 per cent.

NOW: The AV Birla group's retail arm, now known as Aditya Birla Retail Limited, has opened its 11th store in Nashik. The company is planning to open 10 hypermarkets and 150 supermarkets by March 2012 with an estimated investment of ₹200 crore.

GOING TO TOWN

India no longer lives entirely in its villages. Towns and cities are its new address, as the Census 2011 data shows.

Graphic by Santosh Kushwaha



1 Almost one in three Indians now lives in areas designated as urban[#]

2 The number of towns and cities in India has increased by over 50 per cent in the past decade

	2001	2011
Statutory towns	3,799	4,041
	+	+
Census towns	1,362	3,894
Total	5,161	7,935

3 Simultaneously, the population growth rate in rural areas has fallen sharply

	1991-2001	2001-2011	Difference
Rural areas	18.1	12.2	-5.9
Urban areas	31.5	31.8	+0.3
All India	21.5	17.6	-3.9

Figures in per cent

5 STEPS TO HERE

DUBIOUS DISINVESTMENT

March 2002

Ajit Kerkar's Tulip Hospitality acquires Juhu Centaur for ₹153 crore from the government under the privatisation programme.



March 2005

Siddhivinayak Realities, or SRPL, a JV of Oberoi Realty and DB Realty, enters into a deal with V Hotels (as Tulip has been named) to buy Centaur for ₹350 crore.



89.2% Rural
1901 Census

2011 POPULATION
IN ABSOLUTE NUMBERS

RURAL	URBAN
833.1	377.1

Figure in million

82.7% Rural
1951 Census

68.8% Rural
2011 Census

*Includes statutory towns, those that have a municipality, and Census towns, places with a minimum population of 5,000, 75 per cent of males in non-agricultural activity and with a population density of 400 people per sq km

4 The likely causes of a spurt in population growth in urban areas are:

- Migration from rural areas
- Natural increase in population
- Inclusion of new areas under the 'urban' category



5 Urbanisation has witnessed a big push in south and west India* in particular

62.2

45.2

48.5

47.7

Maharashtra
Goa

Kerala
Tamil Nadu

■ Urban population (%)
*Excluding Union Territories

Source: Census of India 2011

May 2005

A CAG report questions the sale of hotel properties. A CBI inquiry brings former Disinvestment Minister **Arun Shourie** under scrutiny.



June 2005

With CBI launching its inquiry, SRPL holds back payment to V Hotels. Finally, both parties opt for arbitration.

July 2011

The arbitrator terminates the agreement between SRPL and V Hotels for the purchase of the Centaur hotel.

ANAMIKA BUTALIA

**"WE WANT
TO MAKE
MERCS MORE
AFFORDABLE"**

KLAUS ENTENMANN, Chairman of the \$4-billion Daimler Financial Services AG – the captive financing arm of the Daimler Group – was in India recently to launch the services of its local unit. He took time off his hectic schedule to speak to BT's **N. MADHAVAN** on the timing of the German firm's entry in the country, the attractiveness of the Indian market, his firm's long-term prospects and the virtues of leasing as a way of financing a car purchase.

*Edited
excerpts from
the interview:*

On entry into India: We are entering India at the right time. We had our label programmes going when the sales volumes of Mercedes were around 3,000-4,000 per year. Now we sell over 5,000 units a year, and this gives us an opportunity to create a business volume that is big enough. Also, considering the fact that we will roll out our trucks next year, we have now decided to establish and maintain our own company.

On the Indian market: India is not an easy market to enter. It is very competitive. But the good thing is that the country's banking and legal systems are good. There is a lot of certainty that you can build on.

On long-term plans: While the auto sector shows early signs of slowing down, we see our foray as a long-term investment. Demand for luxury cars will rise. The truck market also has huge potential, as the delivery of goods for all the infrastructure work in the country will have to be done by trucks.

On leasing: While India is as evolved as any developed market when it comes to financing a vehicle purchase, leasing for some reason is not seen as a preferred way of financing a car purchase. People still believe in owning the cars. In 2009, about 40,000 cars were leased and it may rise to 100,000 by 2013. Through leasing solutions, we want to make Mercedes cars a lot more affordable. That should see a sharp rise in volumes.





fama DI WILLS men


100
Inspiring Years

BATH CARE

*Rejuvenate.
Re-energize.*



ACTIVE DEFENSE COMPLEX
SEA MINERALS & BLUE LOTUS EXTRACTS



Feel the scintillating freshness of the new Aqua Pulse Shower Gel* and Bathing Bar. Sea Minerals and Blue Lotus Extracts keep you refreshed all day long and the Unique Active Defense Complex fights against germs. So are you ready to rejuvenate yourself?



Consumer Survey of
Product Innovation
2011
Winner Shower Gel Category
Survey of over 30,000 people
by Nielsen

QUIRKY**Pet Project**

Affluent India's current 'pet' enterprise is a notch higher than grooming parlours for pets and stores for their clothing, food and accessories. Matrimonial sites for dogs have now been set up in major Indian cities. The services offered begin right from finding a prospective partner, giving the duo a chance to get better acquainted and then, planning and hosting a dreamy theme-style wedding for them at a farm house. Registering the dog comes at a nominal price (₹500-₹3,000) and once the 'couple' is married, they are even gifted a doggie spa package and honeymoon. *Bow, vow.*

SNOOT CORNER**Layers of Luxury**

It sure is a knotty affair, but few can do without a tie. Seven-fold silk ties are considered a status symbol. They have replaced the four-in-hand silk ties. Seven-fold ties are made from 100 per cent Italian silk. These are cut from a single piece of silk and the fabric is then asymmetrically folded seven times on to itself. These ties are untipped, do not have an interlining, and are hand-finished by Italian craftsmen.

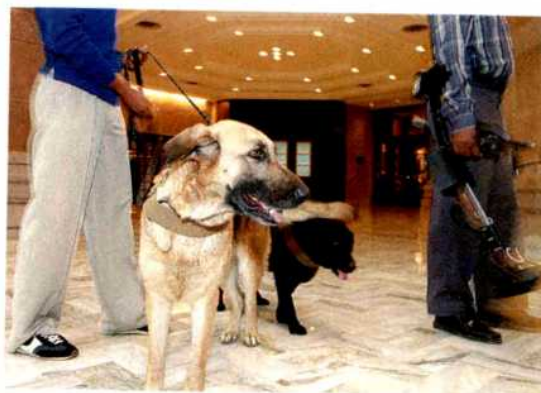
HOW THINGS WORK**Bomb Detection**

The recent blasts in Mumbai have once again turned the focus on preventive security drills such as bomb detection. There are still no foolproof techniques of explosive detection. Anti-terrorism squads use several methods, but none is perfect. The techniques vary from using sniffer dogs to X-ray machines.

HOW DO THESE WORK? Specially trained dogs detect explosives with the help of their heightened olfactory senses. X-ray machines identify such materials by determining their density using dedicated software containing an array of explosives with false colour coding.

MINIATURE MARVEL: In 2008, a penny-size electronic sensor was invented to sniff out hydrogen peroxide vapour in explosives. The sensor monitors electrical conductivity using thin films made of metal phthalocyanines. When exposed to oxidizing agents such as hydrogen peroxide, the film shows an increased electrical current, which helps in bomb detection.

MODERN METHODS: Soon bomb squads will be able to detect an explosive over 100 metres away using a laser system. If the laser beam comes across material with explosive residue, the light will scatter. Some of it will bounce back and change electromagnetic waves into acoustic waves, producing a tell-tale sound.

**JUST WONDERING****Road Block**

The World Bank-funded Santacruz-Chembur Link Road, or SCLR, India's first double-deck bridge that will link Mumbai's western and eastern suburbs, has been called the most delayed road project in the world by none other than the Bank itself. This 6.45 km-long bridge was commissioned seven years ago and was expected to be completed and operational by 2008. This arterial road would cut travel time between the two ends of the city to 17 minutes from two hours currently. The Mumbai Metropolitan Region Development Authority, or MMRDA, whose project it is, has sought seven deadline extensions so far, the latest one until March 2012, driving up the cost from ₹110 crore to ₹550 crore. Main reason for delay: it has yet to get clearance from the Railways as a section of the bridge passes over the Central railway line.

COMPILED BY ANAMIKA BUTALIA

FOR SEAMLESS SHIPPING ACROSS INDIA RELY ON FEDEX.

We bring our proven international expertise for your domestic shipping needs, be it documents, samples or commercial shipments.

Choose FedEx for reliable door-to-door delivery

across 331 destinations within India.

To start shipping, write to fedexindia@fedex.com now!



Call 1800 209 6161 or visit fedex.com/in

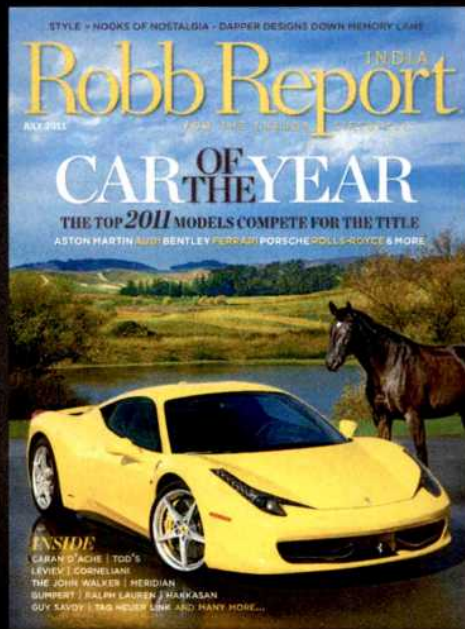
FedE
Ind

Irreplaceable



AN EXAMPLE OF A LIMITED EDITION 12-PIECE LALIQUE
PERFUME BOTTLE STATUS: UNAVAILABLE

THE WORLD'S FINEST LUXURY
MAGAZINE, NOW IN INDIA



Robb Report INDIA

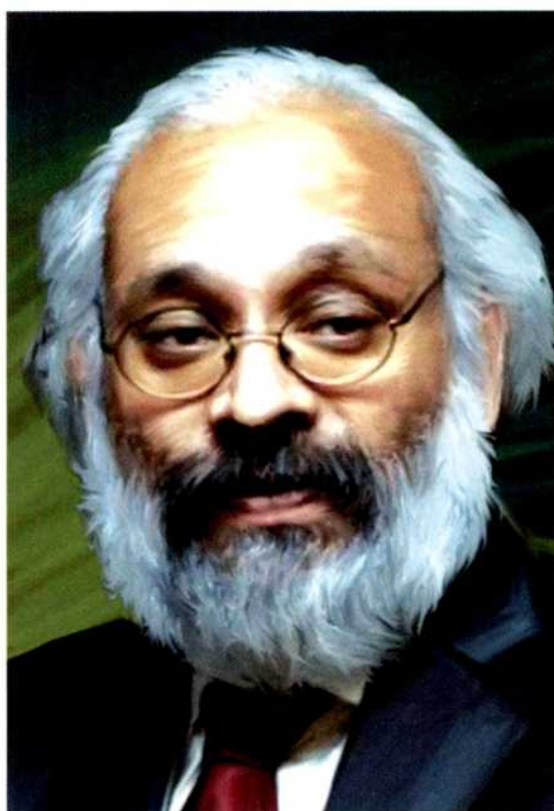
“No Reason to Change the Policy We Have Adopted”

One day after the Reserve Bank of India raised interest rates for the 11th time in 17 months, Deputy Governor **SUBIR GOKARN** spoke candidly and in detail with **CHAITANYA KALBAG** on the battle the central bank is doggedly waging against inflation and on the imperatives of a credible monetary policy that has to be aggressive and single-minded in forcing the price trajectory downwards again. Excerpts from the exclusive interview:

On when RBI will pull back on its high interest rate curve:

Gokarn: Inflation over the past few months has been driven by a combination of two factors. There is still strong demand pressure in the economy and commodity prices have risen very sharply. That has reinforced the demand pressure, so we have had very visible pass-through of input price increases into general inflation. Obviously raising interest rates means trying to contain domestic demand, and as that containment works we should see inflation rates coming down in tandem with a little bit of a lag.

The downtrend in inflation may be more moderate than it was in [the



SANTOSH

second and third quarters of 2008/09] but that is the basic process which we are visualising. We have said we expect inflation to start going down around November or December.

On RBI's stress on “credibility” of the credit policy:

Gokarn: I think we have to look at the May (policy) statement as a significant change in the pattern.

When we moved from 25 [basis points] every six weeks to 50, then to 25 and now to 50 again, the May statement reflected a basic change in strategy driven by the fact that inflation had been a problem right through 2010 but somewhere around December or January it ratcheted up because of the impact of commodity prices. So at that point we had to take a view on ... whether this could be transitory or more persistent, what the budget would do in terms of fiscal consolidation

In May, once the situation had become clearer, we decided to move to a different trajectory which is more assertive action. That was based on the understanding that not only was inflation higher because it had moved from

an average of about seven per cent in the second half of 2010 to about 9.5 per cent, but it would also be persistent. That took us to the 50 basis points hike in May. Obviously we do not see adequate reason now to change that policy.

The surprise the markets manifested was perhaps based on the fact that they did not appreciate the full significance of the shift in May. Once you commit to a trajectory,

there is an issue of credibility in sticking to it. Having moved to a stronger trajectory, it would be premature to withdraw from it at this stage saying circumstances have changed, because they haven't changed that much.

On the RBI single-handedly shouldering the burden of attacking inflation:

Gokarn: I don't think one would attribute these statements to frustration: they are based on realistic assessments that a number of different things have to be done in order to deal with the pressures that we are dealing with now, some of which are related very strongly to capacity bottlenecks in various sectors like food and infrastructure. I think the reality is that the less response there is on the supply side – as long as a demand-supply gap persists and inflation pressure remains – the risk of inflation spiraling increases, through the expectations and through the behaviour of workers or producers, as price-rise expectations get entrenched. So the monetary policy has to work even harder to offset those expectations.

I think the metaphor of one wheel moving and the other stuck is a nice visual that could mean you end up going around in circles. But I think this is not an issue of circular motion ... I think it's really an issue of offsetting or compensating. That is why we are emphasising the concept of complementarity, that it is only when supply and demand are more or less in sync that inflationary pressures start to abate.

On overheating:

Gokarn: I don't like to use the word 'overheating' because that would suggest a dire situation. I think we do have several demand-supply imbal-

ances. We have pointed to food and infrastructure. There are demand-supply imbalances in labour as well. These are bottlenecks which can be addressed, not overnight, but in fairly short periods of time by policy action, budgetary commitments and so on.

On RBI being given a clear mandate:

Gokarn: I think it has always been an issue of priority. For a central bank the priority is always inflation. Of course you can make a very explicit commitment to that priority in the form of an inflation target and de-prioritise everything else, or you can try and balance that with other priorities so that there is no conflict between them. I would describe our ordering of priorities as inflation always, but if it can be reconciled with growth objectives then that recon-

“It would be premature to withdraw from a stronger trajectory saying circumstances have changed, because they haven't changed that much”

ciliation will be attempted. At this point, we clearly see that it is worth some slowing down of growth in order to bring inflation down from these levels, and that is the message we have been sending through our last two policy statements.

On whether there should have been bigger hikes earlier:

Gokarn: I think we have to keep in mind that this is not a continuity of an inflationary process. There was a distinct break in the inflationary process in December-January. Up until December if you look at the

headline numbers there was stability, and our core inflationary measure – non-food manufactured products – was actually starting to come off a little. So we hadn't stopped our calibrated action, although we actually paused in December. So the calibrated action was warranted and part of this was motivated by signs from the IIP [Index of Industrial Production] that there was some moderation in industrial production. But the ratcheting, the point of inflexion occurred in January, when the combination of domestic demand and commodity-price inflation took the inflation number to a different trajectory altogether. Had we anticipated this commodity price spiral, perhaps the action could have been front-loaded, but we were operating under a different set of conditions in 2010, to which we felt the

most appropriate response was this calibrated action. But then the inflation number went up very sharply, and in response we had to re-think our strategy, which we did.

On setting the inflation target at 7 per cent for March:

Gokarn: It is not a target, it is a projection for the year end. Implicit in that story is that, once it starts settling down, it will continue to trend down, so March is not the end of that process. At this point we expect that trajectory to start around November or December, so we are looking at relatively high inflation numbers up to that point. We do have a roadmap in place, and we have said we will review our stance when we see this trajectory manifesting. ♦



Full transcript of the interview at
www.businesstoday.in/gokarn



Frozen in the Headlight

Poor Manmohan Singh is caught between the Pros and the Cons. The Pros in the Opposition are telling the prime minister, who has never seemed sullied by money politics, that he should be resigning. The Cons led by A. Raja are telling him that he is allegedly complicit in the 2G scandal. The sad part is that Dr Singh was being berated about his ethical shortcomings one day after the 20th anniversary of his most famous speech in Parliament. Historians will puzzle over why Dr Singh did not cut loose and take to his heels from all the ugliness he is thrashing around in. He did not, and is seen indelibly as the milder, gentler face of the oligarchy that rules this country.

The same historians used to tell us that foreign colonisers like the British saw India as a fecund source of unimaginable wealth, but they built institutions. This century belongs to our own pillagers, and their rapaciousness dwarfs the greed of the Raj, and they do not care about destroying institutions. Telecoms, mining, land and infrastructure have spawned unimaginably rich pickings. This process began around the turn of the century, and has accelerated during the seven years that Dr Singh has been the paterfamilias.

We will argue endlessly about the definition of poverty, but the truth is that, even with agriculture declining sharply as a percentage of our economy, from 30 per cent in 1993/94, two years after Dr Singh's epochal budget to 17 per cent in 2007/08, the fourth year he was himself the helmsman, the number of people employed in the countryside has come down only slightly, from 65 to 55 per cent. This in turn has allowed entire sub-cultures of exploitation to flourish, like the cynical loot that takes place in the name of social-sector spending, and the abuses in the Mahatma Gandhi National Rural

Employment Guarantee Scheme. The "Narega Card" has become the badge of indigent labourer-contractor – while also artificial minimum-wage levels.

"Supply-demand imbalance" is the leitmotif of our fiscal crisis. India's villages are moving from carbohydrates, from cereals to pulses, to more in demand, which is why supply chains are ragged and people pay more for their food than they have some of the best economies in the world. This government, starting with Manmohan Singh and including Manmohan Singh, C. Rangarajan, K. V. Kamath and of course the hapless governor of the Reserve Bank, Duvvuri Subba Reddy.

This squad of superheroes has created the hydra-headed monster with its back to the wall. They have increased interest rates 11 times since 2008, but you shouldn't look for a drop until about Christmas from rising prices of everything you buy. Hopefully by next spring the curve of inflation will start to curve again, but already most of us are drunk and stumbling from one day to the next. If you are a company, you can go abroad to borrow money at low rates. But if you are a home-owner, you can only howl in pain when the hand tightens the screws.

Since so much of India still lives in villages, you could liken our economy to a bullock-cart, with one wheel at the central bank spinning fast while the other propelled by government is stuck in quicksand. Pity we cannot circle back to the beginning of that day 20 years ago when the dora opened her box. ♦

Dr Singh was berated about his ethical shortcomings one day after the 20th anniversary of his most famous speech in Parliament

THE STUNNING NEW
COROLLA ALTISS



Genius and Gorgeous

Genius inside.

• **new Dual VTE-i gasoline engine delivers more power (140 PS), greater fuel efficiency and less emissions** • Experience a smooth drive with the responsive Super VTE-i with 7-speed Sequential Shiftmatic or the 6-speed manual transmission

efined D-40 diesel engine with Variable Nozzle Turbo and Intercooler offers ample power & flat torque with best-in-class fuel efficiency • 6-speed manual transmission provides unmatched performance

Gorgeous outside.

Gorgeous new Front Grille establishes a powerful presence • Dazzling Headlamp design makes a sleek style statement • Alluring Tallamps create a new trend to follow • Beautiful wood finish interiors provide unmatched luxury • State-of-the-art Bluetooth-enabled DVD Touchscreen Audio lets you create an ambience with a single touch



Printing Money

If everything is online these days, why are printers' sales rising?
HP's Vyomesh Joshi explains. By KUSHAN MITRA

In the 10 years that Vyomesh I. Joshi has headed Hewlett-Packard's Imaging and Printing Group, the division's revenues have grown from \$7 billion to over \$26 billion, making it the third largest division in the company, and HP the world's largest printer company.

Surprisingly, even in an age where more and more people are reading content off computer screens, the demand for printers is growing. Joshi, 'VJ' to everyone at HP, explains this paradox by citing four key trends he sees in the digital world that are driving greater printer use.

First, there is the sheer growth of online content. "Look at how much more people are using Facebook, Yahoo and Google," says Joshi. The more people use online content, the more they will want key portions of that material on paper with them for ready reference. And HP is ready with highly advanced printers that allow users to print directly from the Web, without first downloading the material on to their computers. "We have already shipped six million web-connected, cloud-aware printers that allow people to print from a multitude of connected devices," he adds. "We are completely device agnostic. We work with everyone, be it Apple or Google, because customers do not care, they just want to get the task done."

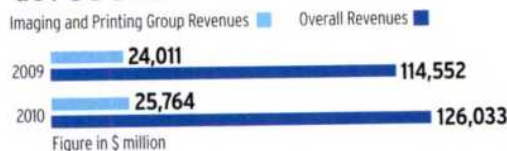
Second, more and more books and magazines are likely to be printed using digital techniques, instead of the traditional screen printing – which in turn will require many more printers. "A lot of books and magazines will also get rapidly digitised," says Joshi. "Today 40 per cent of books



WHO IS VJ?

Vyomesh Joshi, 57, VJ to his colleagues, has worked at HP ever since he completed his doctorate from Ohio State University in 1980. As executive vice president at HP he is one of the most influential Indian-origin executives in California's Silicon Valley.

ON COURSE



printed rot in warehouses. Traditional screen printing demands huge production runs of at least 100,000 copies." Not all these copies find consumers. Printing digitally, however, enables publishers to work with much smaller volumes, as well as at a greater speed.

"We have a printer in Paris who produced a book on the Prince William-Kate Middleton wedding in just 96 hours," says Joshi. "Our 'Web Press' technology was faster and cheaper than any offset screen press can ever be." Of the world's total print run of 50 trillion pages this year only around 10 per cent is being printed digitally: the figure is bound to rise in the years ahead.

Third, smarter printers have been devised, which in turn are making printer use more widespread. "These printers have applications that enable them to consume data straight off the Net," says Joshi. "For instance, you can schedule delivery of content from your favourite newspapers, magazines, blogs or other websites, edited in a reader friendly way, before you set off for

work." HP's pilot project in delivering content in this manner has received much positive feedback.

Finally, in the future, everything will be available as a 'service'. Thus HP intends to provide the service of imaging and printing to more and more companies. "Today most enterprises spend between six to seven per cent of their budgets on imaging and printing," says Joshi. "By running these as a service for them, we help them concentrate on their core tasks. ♦

Instant relief from blocked nose is just a spray away.

Relief within

2

minutes*



**TRUSTED BY
DOCTORS***



Hold the dispenser
with your fingers.



Ensure that the tip
is inside your nostril.



Press the dispenser
in the centre to spray.



Take a deep breath.

Image for representation purpose only.

A blocked nose is no more the stubborn problem you know it to be. Otrivin nasal spray brings instant relief from a blocked nose within two minutes. That's what makes it the nasal decongestant prescribed by doctors*.

For information:

Call toll free **1800 209 3331** or SMS* **Otrivin** to **56677**.

*SMS charges apply. Please check with your service provider for exact charges.

*#Data Source: IMS Medical Audit April '07 to March '11. *The median time to Onset of Subjective Relief of Nasal Obstruction following administration of Otrivin was 1.7 minutes. (Findings from a clinical study conducted by Novartis Consumer Health, Switzerland, 2007.)

Otrivin®
The pleasure of breathing
NOVARTIS

Betting on LOW

Sound as their strategy is in heading overseas, low-cost airlines like IndiGo better have deep pockets to survive and thrive. By GEETANJALI SHUKLA

At this year's edition of the Paris Air Show in June, two low-cost airlines from Asia hogged the headlines for the sheer number of planes they ordered. Just two days after IndiGo, a five-year-old ambitious airline from Gurgaon, near the National Capital, made a splash with a 180-airplane deal with Airbus Industrie, AirAsia, a bigger carrier with roots in Malaysia, bested the Gurgaon company with an announcement to buy 200 aircraft from the European plane-maker.

At first look, comparing IndiGo with AirAsia seems unwarranted. IndiGo connects 26 locations with 42 planes and runs the most profitable operation among the six airline companies in India. Even so, AirAsia dwarfs IndiGo by yards. Its reach spans much of the world – from Chengdu to Chennai, from Perth to London – with Kuala Lumpur as its base for its 100 planes in service. It is planning an ASEAN headquarter in Jakarta by September. It made \$338 million, or ₹1,521 crore, profits on revenues of \$1.35 billion in 2010. It is ranked the fourth most profitable low-cost carrier, or LCC, in the world, behind SouthWest Airlines in the United States.

But IndiGo, which is spreading its reach to Asian destinations starting this August, is exactly where AirAsia was about eight years ago – in 2003, when, after turning around its local operations from what was a loss-making

state-run unit, it went international. IndiGo, some believe, has the best chance among Indian airlines to repeat that feat. IndiGo will launch its international operations with a New Delhi-Dubai flight on September 1; services to Bangkok and Singapore will be introduced late in the month followed by connections between the three cities and Mumbai. Flights to Muscat and Kathmandu will follow. "Dubai, Kuala Lumpur, Bangkok and Singapore are among the key O&D (origin and departure) pairs from India," says Himanshu Singh, Managing Director-India, travelocity.com, explaining why IndiGo is keen to fly these routes.

Other airlines are pushing ahead unmindful of such competition. In addition to Colombo and Kathmandu that it currently connects, spiceJet has requested for permission to fly to South East Asia, West Asia, and the Commonwealth of Independent States. spiceJet CEO Neil Mills, a former executive with easyJet, a successful European LCC, has a contrarian plan in place – avoiding crowded routes. "If you fly on the usual-suspect routes like Singapore, Malaysia etc., you compete against a different breed of carriers," he says. "Airlines that run tight ships can compete at incredibly low fares almost indefinitely."

But even on routes with fewer flights, spiceJet will face the likes of Tiger Airways, Singapore Airlines's LCC subsidiary, which connects cities such as Tiruchirappalli and



PHOTO IMAGING BY ANAND KUMAR SINHA

UMESH GOSWAMI/www.indiatodayimages.com



Thiruvananthapuram. "We are the low-fare leaders on all our India routes," says Commercial Director-Singapore, Tiger Airways, Dave Perring.

Now, GoAir is keeping away as Managing Director Jeh Wadia finds international services "too risky an opportunity". "I have five competitors in India; I will have more than double the number when I fly international, and they're much more powerful," he says.

He gives the example of Ryanair, the airline that pioneered low-cost air travel in Europe with its single-minded focus on keeping ticket prices down, as an example better suited for India. "Last year, Ryanair alone sold 73 million seats. All the carriers in India put together flew a total of 54 million passengers," he says.

Devil and the Deep Sea

But these factors do not seem to be holding IndiGo back. It is looking to extend the same model it runs domestically to its international operations. When the airline announced its plans on June 14 to fly international, President Aditya Ghosh emphasised: "IndiGo will keep its promise of providing low fares on international routes as well." On offer now are two-way fares, including taxes and surcharges, as low as ₹9,999. (Ghosh and his boss Rahul Bhatia, whose family owns most of IndiGo, were not available for comments.)

To keep costs low, the airline will fly the same aircraft – 180 seats, same seat pitch as domestic, and no in-flight entertainment – on its international routes. Food, beverages (including alcohol) and in-flight merchandise will make for sources of additional revenue. Keyur Joshi, COO

"If you fly on the Singapore, Malaysia routes, you compete against a different breed of carriers"

NEIL MILLS, CEO, spiceJet

at makemytrip.com, says: "The customer interest is pretty high. It is good enough to create a buzz without losing your shirt."

But the risk of losses is real given that IndiGo's competitors can take the fares even lower. Emirates, Air Arabia, Singapore Airlines, AirAsia and even Air India make profits on these routes, with Jet Airways halfway there, reckons Praveen Paul, CEO, First Wing Aviation Consulting, an aviation advisory service firm. "They have the muscle to take three straight quarters of hits on these routes by matching IndiGo's pricing," Paul says. IndiGo will lose cash if it continues with its ₹9,999 pricing for more than a quarter.

What then is the lure in international skies for the likes of IndiGo and spiceJet? The strategy is driven as much by the opportunity – LCCs control just five per cent of the lucrative international market and India is a booming outbound travel market – as the changing nature of the airline business itself. The world over, countries are easing back on tight

regulations on landing permissions, and India too is liberal on that count. Carriers such as Emirates, Lufthansa and British Airways have flights into not just the big metros but also the smaller ones such as Kochi, Ahmedabad and Kozhikode. In other words, the shadows of the big names in the business loom over Indian airlines.

Heavy taxes on fuel levied on Indian carriers – even LCCs – make for another disincentive to run domestic operations when fuel costs, including taxes, can be as much as half of total operating costs. Says spiceJet's Mills: "At the same Indian airport, the taxes on fuel for domestic flights vary between eight and 30 per cent, while for international flights, they are just four per cent." He estimates costs can be lower by 20 per cent per km when a plane flies an international route. "In a good year, I can make decent money by flying international," says Mills. In the roller coaster world of global aviation – remember the quote from Virgin Atlantic Airways chief Richard Branson that the easiest way to become a millionaire is to start out a billionaire and go into the airline business – the big bet for the ambitious Indian LCCs is to call the year right. ♦

ADDITIONAL REPORTING BY DEARTON THOMAS HECTOR

The new Nokia E6 Smartphone with QWERTY and Touch.
Get more done. Faster and Smarter.



NOKIA

Nokia E6 Best Buy:
Rs. 17,999/-*



**View, edit and
create documents**



**Qwerty to type your
E-mails faster**



**Touch for a richer
internet experience**

www.nokia.co.in/E6

© 2011 Nokia. Terms and Conditions apply. *Inclusive of all taxes.

Available at:



and other Nokia Outlets

NOKIA Care 30303838*

To know more about your Nokia, register at

www.nokia.co.in/mynokia

Always insist on original Nokia India Warranty to safeguard against buying used, refurbished or tampered phones. Nokia India Warranty is applicable only for phones imported/manufactured by Nokia India Pvt. Ltd.
*For assistance on Nokia products and services, call Nokia Care. Add STD code when dialling from a GSM connection.

5252, 2011



KAPIL

As India's ambition to become a global auto hub is curbed, manufacturers focus on the domestic market. But that is where the turmoil is.

By KUSHAN MITRA and SUVEEN K. SINHA

RC. Bhargava breaks eye contact, looks at the blank white wall to his right and shakes his head: "I don't know," he says. Tall, lean and ramrod straight at 76, Bhargava is not easily fazed. A 1956-batch IAS officer, who became the third employee to join Maruti Udyog, now Maruti Suzuki, in the summer of 1981, and a role model for bureaucrats aspiring to change careers, he is a veteran of many battles. But ask him what a car company can do in the current scenario and his robust voice falls a few notches. "We may have to slow our investment," he says.

Maruti Suzuki, of which Bhargava is the Chairman, lords it over half the country's car market. It is about to start work on a third manufacturing plant, for which it is almost certain to go out of Haryana – where it has plants in Gurgaon and Manesar – to Gujarat. It is also slated to launch at least three new models by the end of next year, beginning with an all-new Swift in the middle of this month (August).

However, it feels hobbled. Monthly sales of cars show a trend of falling growth. In April to June this year, car sales grew a measly seven per cent, compared with 30 per cent in 2010/11. Maruti reported a decline in sales of four per cent in June, its first in a decade. The company surpassed stock market expectations by reporting an 18 per cent growth in net profit for the April to June quarter, but the growth was driven mainly by other income and analysts are reluctant to improve the stock's rating in view of the market scenario.

Labour trouble has plagued Maruti recently – including a tool-down on July 28 – and Hyundai frequently, while others like Honda and General Motors have had their share, too. The price of petrol, which drives three out of four cars sold last year, has risen from ₹45 a litre in New Delhi to ₹65 in less than a year. Diesel prices, too, have been on the rise. Key raw materials like steel, rubber and plastic have become costlier. To top it off, Reserve Bank of India, or RBI, Governor Duvvuri Subbarao announced the 11th rise in interest rates since March 2010, on July 26. The next day, Finance Minister Pranab Mukherjee rubbed salt into the wound by saying there was more to come. This spells terrible news for buyers, as two-thirds of all cars sold are financed by lending agencies.

Little surprise, then, that the Society of Indian Automobile Manufacturers, or SIAM, the industry lobby, has revised its growth projection for 2011/12 from 18 per cent to 10 to 12 per cent.

"Everyone will be slowing investment," says Arindam Bhattacharya,

THE PIPELINE



MARUTI SUZUKI

Capacity expansion at Manesar, Haryana, of two new lines with a capacity of 250,000 units each (coming on-stream in end-2011 and end-2012)

INVESTMENT

₹6,000 crore+



HYUNDAI MOTOR INDIA

Diesel engine plant at its existing facility in Sriperumbudur, Tamil Nadu with 150,000 annual capacity (on-stream: late 2012)

INVESTMENT

₹1,500 crore

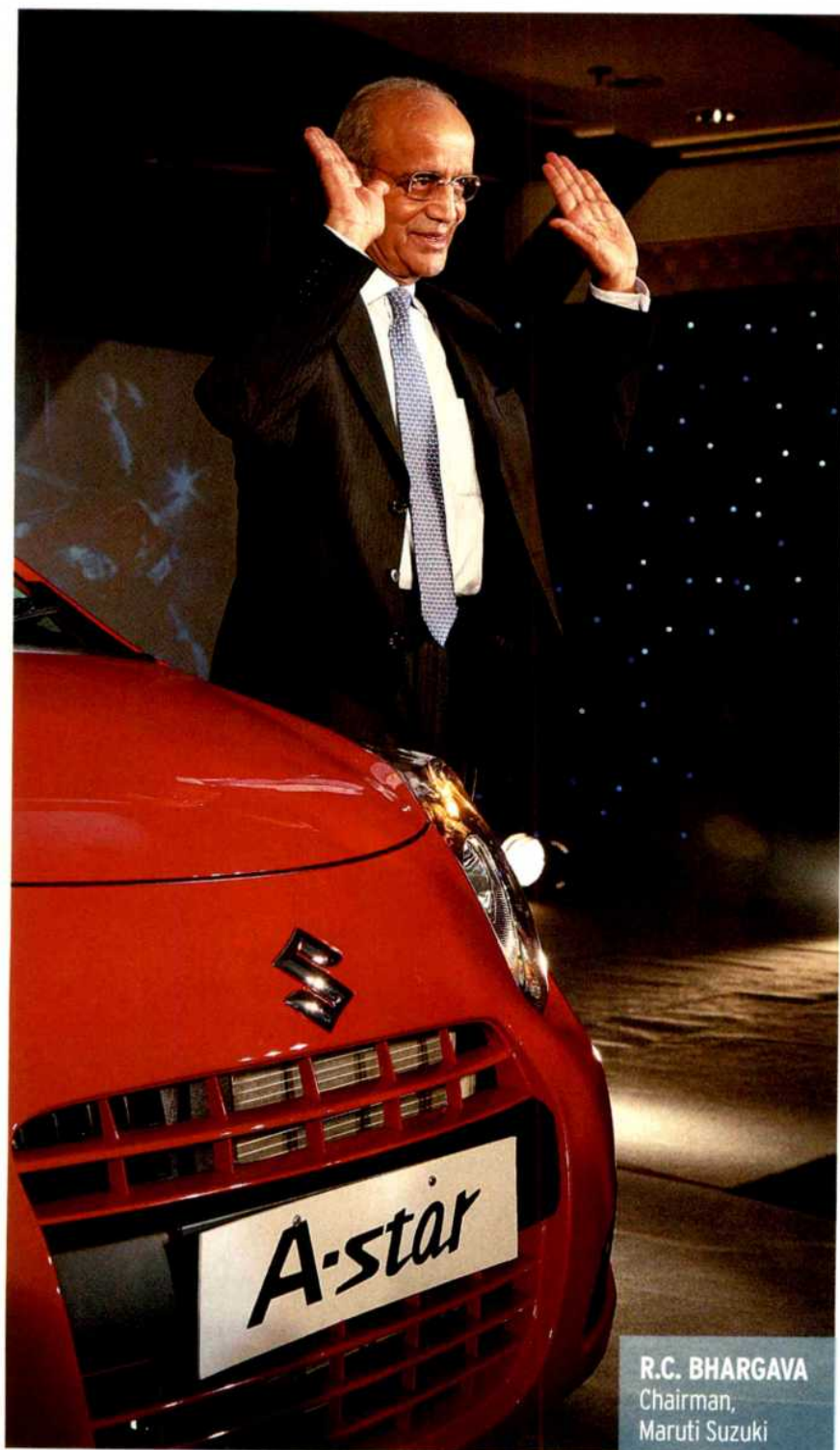


FORD INDIA

New assembly line and engine plant with annual capacities of 240,000 and 270,000 units at Sanand, Gujarat (on-stream: 2014)

INVESTMENT

₹4,000 crore



R.C. BHARGAVA
Chairman,
Maruti Suzuki

Senior Partner and Managing Director at the New Delhi Office of The Boston Consulting Group, or BCG. As an estimated one-sixth of Indian manufacturing is connected with automobiles, this is a worrying sign for the economy.

The bigger question, though, is over India's aspiration, roused in part by Renault-Nissan head Carlos Ghosn, to become a hub of low-cost manufacturing, feeding the world with small and compact cars.

Manufacturing Hub, Eh?

Ghosn became a legend in Japan and much of the global automotive industry a few years ago when he turned around Nissan Motor, in which Renault is the single largest shareholder. The Frenchman is also a revered figure in India, to the extent that he has been spoken of as a possible successor to Ratan Tata as the head of Tata Sons. It was not a surprise then that automobile journalists all left their desks when he came visiting four years ago. They flocked to Nashik, Maharashtra, some doing the unthinkable by asking him for his autograph. Ghosn had come for the inauguration of the Mahindra & Mahindra, or M&M, factory which was to roll out Renault's Logan, the car that redefined the low end of the sedan market in Europe.

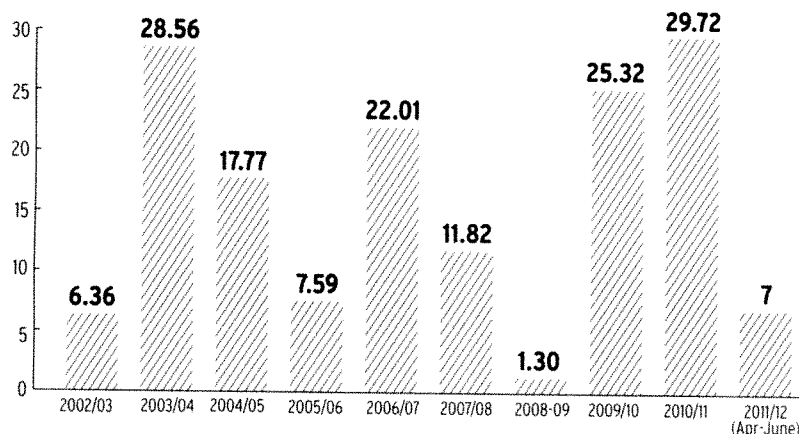
Paying unusual obeisance to Indian manufacturing, Ghosn said: "We have come here to understand frugal product engineering and marketing. You have to learn it from someone who practises it as a way of living.... It will be difficult to develop a low-cost car of the future without involving India."

That was the time when Tata Motors was giving the finishing touches to Nano, discussed the world over with awe as the \$2,000 car. At

"I do not want to be in a position where I make an investment and am left owning a white elephant if policies change"

Ups and Downs

India's domestic passenger car sales have slowed down earlier, too, during times of economic trouble. But, there is still latent demand



Figures are growth in per cent (Y-o-Y) and do not include utility vehicles and vans
Source: Society of Indian Automobile Manufacturers (SIAM)

the following Auto Expo in January 2008, as Tata Motors unveiled its small wonder. Renault went on to announce a tie-up with Bajaj Auto for a car that would compete with Nano in cornering the millions of Indian buyers who were expected to switch from two-wheelers to the new entry-level car. The market for small cars in the country was burgeoning. Suzuki's India sales, through Maruti, were overtaking its sales in Japan. There was no looking back. India was ready to cater to the rising global demand – amid increasing awareness of how precious oil and the environment were – for small and compact cars. Most of the multinational companies were already in India. Those that were not – mainly Volkswagen and Nissan – came in running.

In the euphoria, there was little heed paid to what Ghosn said when asked to predict the future of the M&M tie-up: "It is like marriage. Can you say that you will be a couple forever?"

They are not anymore. Renault and Mahindra have parted ways and the Indian company is now selling Logan under the name of Verito. The two companies run by Ghosn, Nissan and Renault, started production in May last year at their joint factory

near Chennai, which can roll out 150,000 cars a year in the first phase. The first model to roll out is Nissan Micra. Renault is non-committal on Bajaj's car, which is still under development, and is talking of its own small car. Nano's monthly sales, which touched a low of around 500 last November, now average 7,000 – motorcycles sell almost 2.5 million units a month.

But worse tidings are that Hyundai has shifted a part of i20 production to Turkey, a move seen linked as much to the capacity constraint at its Chennai plant as to the labour trouble there. Bajaj has shifted some of its motorcycle production to China and TVS is talking about following suit. Car exports are down to a trickle, as problems in Western Europe have affected the main markets. Nissan Micra, half of whose production was intended for export, sold 22,500 cars overseas from April to June this year, a figure that looks better against its domestic sales of 4,400. For a country that has ambitions of raising the share of manufacturing in its economic output to 25 per cent from 14 per cent in 10 years, that is bad news.

Expert voices are saying that



TOYOTA KIRLOSKAR

Expansion of capacity at existing plant at Bidadi, Karnataka, from 160,000 units to 310,000 units annually, along with expansion of the engine plant

INVESTMENT

₹2,148 crore



GENERAL MOTORS INDIA

Expansion of manufacturing at Halol, Gujarat, by 25,000 units annually as well as starting the second-phase at its other plant in Talegaon, Maharashtra, to add 160,000 units annually

INVESTMENT

₹2,000 crore+

Q&A Arindam Bhattacharya

Senior Partner and Managing Director, The Boston Consulting Group, New Delhi

"The Licence Raj Is Over But the Inspector Raj Is Very Much There"**Given today's circumstances, is India's fledgling reputation as a low-cost manufacturing hub under threat?**

First, new investments into manufacturing in the last few quarters are at their lowest in recent years. Clearly, despite the growth story continuing, businesses are voting with their money by investing more outside India. There is something, be it access to land or rigidities in labour laws, which is hurting creation of jobs. There are still too many regulations – Factories Act, Labour Act, etc. – which need to be overhauled. The Licence Raj is over but the Inspector Raj is very much there.

**That is the story on the supply side. What about demand?**

The demand side is more of a temporary issue. High interest rates are an issue. In auto, given the penetration levels, there is latent demand and there will always be ups and downs around the trend rate of growth. I'm less concerned about that. At the same time, it must be said that, with rising interest rates, fuel and commodity price increase, customers have become cautious. In this scenario, auto original equipment manufacturers, or OEMs, cannot pass on any price increase to customers.

How long will the demand remain depressed?

This is a difficult question. Despite all the negative sentiment, we will still have growth of 7.5 per cent or above, which is pretty good. The government has to take a call on whether it can reduce inflation only through interest rate hikes or move on the policy front constraining the supply side.

Do you see an impact on investment?

Yes, investments will be affected. I find it somewhat ironical that even though the biggest challenge we face as a nation is to create 220 million jobs in the next 15 years, we still make it so difficult for entrepreneurs and businesses to create new ones. We have to make investors feel wanted, and not as if they are on trial all the time.

How are the companies dealing with this situation?

India will continue to be a high-growth market, so multinational companies are not going to walk away but may adopt a wait-and-watch approach. But few of them are considering locating global plants in India. Indian companies are making essential investments to meet local demand, but to meet export demand, they are seeking the most cost-competitive (global) locations to serve these markets.

cheap labour alone is not enough for manufacturing. Labour, depending on the capital-labour trade-off, is 10 to 20 per cent of the overall cost of manufacturing. Vikas Sehgal, Managing Director and Global Head of Automotive for Rothschild, talks about the five Ms: men (labour), money (capital), material (inputs), matter (energy, water) and mandarin (policies). "India scores well on the first but badly on the other four," he says. And global production cannot veer towards a location on the basis of one favourable factor. "If cheap labour was the all-important issue, all cars would be made in Uganda," says Sehgal. Besides, the cheap labour in India is low on skill and has been militant in

While nearly all multinationals, except Peugeot Citroën, which announced plans to come to India, are already here, they are setting up plants **mainly to cater to the local demand**

the last few years, even causing the death of the Chief Executive of an auto component maker in Greater Noida, on the outskirts of Delhi.

While nearly all multinationals, except Peugeot Citroën, which announced plans to come to India, are already here, they are setting up plants mainly to cater to the local demand. "Few of them are considering locating global plants in India," says BCG's Bhattacharya. According to Sehgal of Rothschild, the only reason why cars are made in India is the sixth M: market, which cannot be otherwise tapped given the high import duty.

The trouble is that the domestic market is not exactly in the pink of health right now.

**The only
competition
that can look us
in the eye is ourselves.**

- Highest Machine Life: 9,00,000 Prints
 - Highest Drum life: 3,00,000 Prints
 - Lowest Total Cost of Ownership
 - BLI Printer Line of the Year Award
- No wonder, we don't consider the rest as competition!**

Presenting

The unbeatable Range of Printers from Kyocera

PRINTERS



Mono A4: 24 ppm to 35 ppm



Colour A4: 21 ppm to 26 ppm

MFD



Mono A4: 24 ppm to 40 ppm



Colour A4: 26 ppm



Knockout Benefits

- Separate Drum & Toner
- Maximum Prints per day
- USB Printing
- Password Printing
- Maximum Up-time
- Duplex Printing



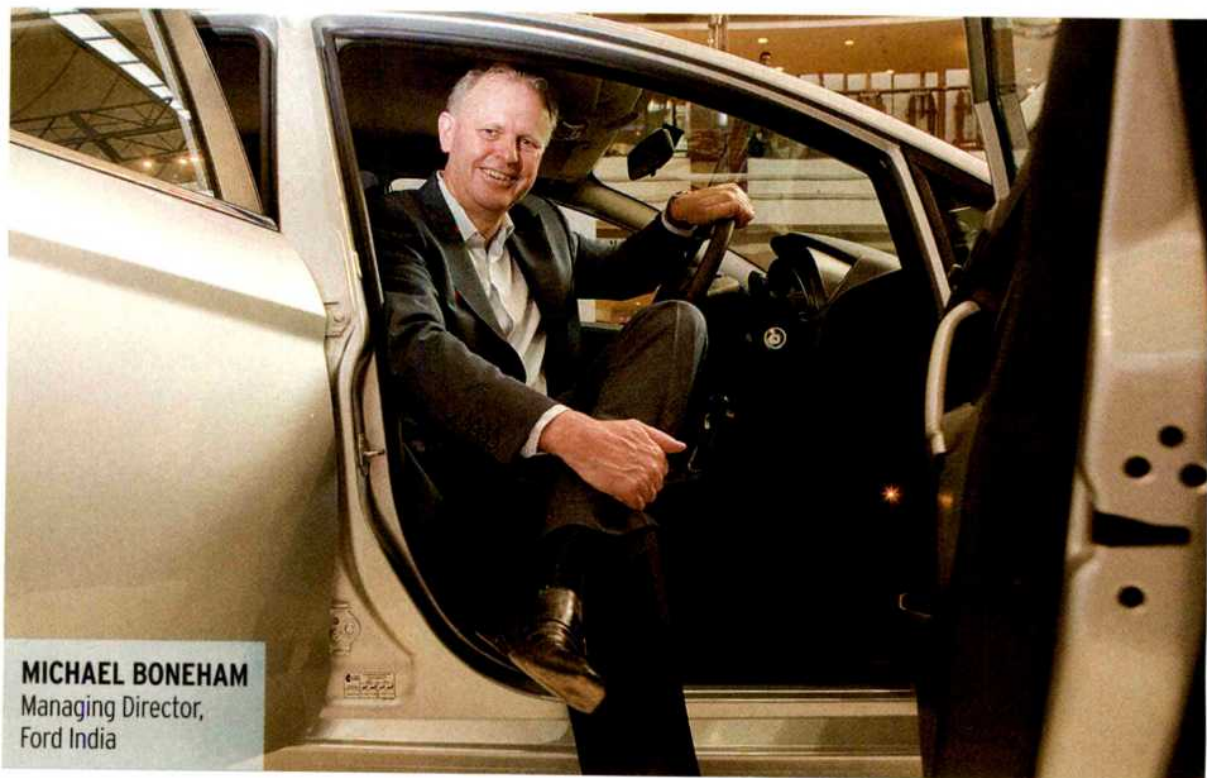
For enquiries contact:

Ph: +91 124 4671000; Toll Free: 1800 103 7172

E-mail: dilip.kanth@kyoceramita.co.in www.kyoceramita.co.in



Over 60 years of experience | Presence in 30 countries | Japan's leading name in technology



MICHAEL BONEHAM
Managing Director,
Ford India

SAPTARSHI BISWAS/www.indiatodayimages.com

“In hindsight, we should have invested more in **expanding our diesel engine manufacturing facilities**”

Fork in the Road

As soon as the RBI announced its latest 50 basis point increase in interest rates – everyone expected 25 – a collective groan rose from the marketing offices of carmakers. At the offices of Hyundai Motor India, which has the second-largest market share of 20 per cent, on Delhi's Mathura Road, Arvind Saxena, Director, Sales and Marketing, tries not to grimace. “The inquiries are there,” he says, adding that sales should pick up this festive season. “The central bank is primarily concerned with inflation control, so car buyers are going to suffer a bit.”

And suffering they are. Not only have interest payments for car consumers risen from under 10 per cent in late 2010 to over 15 per cent – the equated monthly installment, or EMI, on a ₹5 lakh loan for five years has risen from ₹10,600 to ₹11,900 – banks are also tightening money

supply. With petrol prices rising, the fuel expense for a person who drives 1,500 km a month has, assuming fuel efficiency of 14 litres to a kilometre, risen by nearly ₹2,000. In the case of new buyers, who are paying the increased interest rate, the household budget can get precarious.

neered the company in the late 1990s by switching from scooters to motorcycles, offers solace. He believes the current gloom is little more than “the usual business cycle”. His foray into China, he says, is primarily for strategic reasons, aligned with the company's international strategy.

Monthly sales of cars show a trend of falling growth.

In April to June this year, car sales grew a measly seven per cent, compared with 30 per cent in 2010/11

“If demand does not grow, what is the hurry to set up a new plant,” asks Maruti's Bhargava. “Our sales growth forecast was 15 to 16 per cent. If the actual is only eight to nine per cent, we will have to slow down production. Who will buy?”

Bajaj Auto Managing Director Rajiv Bajaj, who successfully re-engi-

But Bajaj deals in products which, given their low prices, may be less affected by EMI swings. And two-wheelers remain untouched by the diesel dilemma, which is causing consternation among carmakers. The price of the fuel, even after the recent increase, is ₹20 to ₹25 a litre lower than petrol, depending on

BE > THINK > INNOVATE >

₹1 LAKH PER DAY. QUITE A PENALTY TO PAY! Install a Grundfos pump today.

According to the Ministry of Power, a **penalty*** of ₹ 1,00,000 per day has been imposed on industries that have failed to control their energy consumption. Many industries are already shelling out fines to avoid further adversary action.

The energy efficient Grundfos pump range can be up to 30% more efficient than other pumps and helps your business achieve massive energy savings.

So, the choice is yours. Either save energy or watch your money go up in smoke!

*Under the 3 year Perform, Achieve, Trade (PAT) programme, initiated by the National Mission for Enhanced Energy Efficiency (NMEEE) and being implemented by the Bureau of Energy Efficiency (BEE).

www.grundfos.com/energy



GRUNDFOS PUMPS INDIA PRIVATE LTD.

- Ahmedabad: 079 - 4006 3618 • Bangalore: 080 - 2649 2660
- Bhubaneswar: 099370 34044 • Chandigarh: 097791 25824
- Chennai: 044 - 2496 6800 • Coimbatore: 097910 11130
- Hyderabad: 040 - 2373 1014 • Jaipur: 098290 36168
- Kochi: 098957 58124 • Kolkata: 033 - 2231 0920
- Madurai: 094430 69901 • Maldives: +960 - 96077 93720
- Mumbai: 022 - 2686 7317 • Nagpur: 099701 82577
- New Delhi: 011 - 2994 2134 • Pune: 020 - 3240 3640

GRUNDFOS



Deepikah Arora, 27
Car: Chevrolet Beat

"My Car Has Given Me Independence, But Parking Is a Major Problem"

Deepikah Arora is a Delhi-based freelance designer. Until she bought her car nine months ago, she used the Metro, buses and autorickshaws. "Public transport works but waiting for buses and changing multiple trains (or metros) is not easy," she says. "Not owning a car in a city like Delhi meant that I had little or no social life. If I wanted to go out, someone needed to drop me home." Arora is glad that now she does have a car. But with no fixed job and thus, no fixed parking space in the city, she finds parking both expensive and maddening. "Parking in most parts of Delhi is getting expensive. But that is if you can find parking; some areas are a nightmare," says Arora. Being a freelance, making sure her bank account is topped up come monthly installment time is always a challenge. Nevertheless, she is glad she bought her car before the recent rate hikes. "I might not have been able to afford buying a car now," she says.

which city you are in. Add to that the advances in diesel technology, which makes these cars travel 25 to 30 per cent farther for the same amount of fuel and has reduced the noise and vibration in the engine to take the driving experience closer to that of a petrol car. The result is that more and more buyers want to buy diesel cars even though they are priced higher – by ₹1 lakh to ₹1.5 lakh in some cases – than their

petrol sisters. A person driving a diesel car for 1,500 km a month would make back a ₹1 lakh price differential in three and a half years if fuel prices stayed steady.

Bhargava says that in the case of Maruti's models, which come in both the fuel variants, 90 per cent of the new buyers are queuing up for the diesel option. Hyundai's Saxena says 75 per cent of the demand for the company's newly launched Verna is

for the diesel version.

This has caught the manufacturers on the wrong foot, as seven out of every 10 cars produced run on petrol. Honda, which has no diesel products in its line-up, slashed prices of its City sedan, the segment leader by far before Volkswagen's Vento diesel and Maruti's SX4 diesel stormed its fortress, by a whopping ₹67,000, almost 7.5 per cent of the ex-showroom price. Yet, monthly sales are subdued at 6,000 units, while Vento does 7,700. A year ago, Honda sold close to 10,000 units of City every month. Volkswagen, whose Vento diesel is a runaway hit, is offering a preferential rate of interest of 6.99 per cent on loans for the petrol model. "We did not anticipate this imbalance in fuel prices so we have had to adapt," explains John Chacko, Group Chief Representative, Volkswagen.

Michael Boneham, Managing Director, Ford India, says it is not easy to balance the petrol-diesel equation. "In hindsight, we should have invested more in expanding our diesel engine manufacturing facilities." Hyundai, which recently announced a ₹1,500-crore investment in a new diesel plant in Chennai, believes it lost a few years due to the lack of clarity of the government on fuel price movements.

But there is not much clarity on government policy even now. Petrol prices have been deregulated, but all the oil marketing companies, except Reliance Industries and Essar, which are minuscule players in this field, are controlled by the government, which still announces major price increases. Diesel prices remain controlled. And there has been talk about imposing extra excise, or a one-time cess, on sales of diesel cars. The Delhi government in its 2011/12 budget increased road tax on diesel cars by 25 per cent. The argument is that the subsidy on diesel should not go to wealthy car buyers.

Maruti, which made a delayed



Awarded by CMO Asia



This Festive Season Gift Something Precious



For Product tie-up / Institutional orders - Bulk deal enquiries contact :
Mr. Ashish Garde Mob : 09822290183 E-mail : corp.sales@nirlep.com Web site : www.nirleponline.com
Midas Appliances Ltd. B-5 MIDC Area Near Railway station, Aurangabad - 431005. INDIA

Tania Sharma, 26

Car: Hyundai i10



SAITARSHI BISWAS

"I Spend Almost Half My Salary Maintaining My Car"

Tania Sharma has a daily commute of around 17 km between her house in Faridabad, Haryana, near Delhi, and her office in Delhi's Okhla area. "Every week, I spend around ₹2,000 on petrol," she says, adding: "Where we live, there is no public transport. Autorickshaws charge ₹100 for a distance of five kilometres. So I don't have much of a choice." Between her car loan and her fuel bill, half her monthly salary goes in just maintaining the car. "It might get worse. My car is quite old and servicing does not come free. I have seriously contemplated buying a new diesel car but, because it is expensive, I do not want the headache of higher monthly loan payments."

entry into the diesel segment as it waited for clarity on the government's policy on fuel prices, is still in two minds about where to put its future money. "I do not want to be in a position where I make a massive investment and am left owning a white elephant if policies change," says Bhargava.

The current problem for manufacturers is compounded by the rise

But it is not all doom and gloom out there. Carmakers have enjoyed heftier margins in India than in developed countries, which one senior executive describes as "strange". Besides, while India may not be emerging as a global hub, more and more companies are launching India-focused products, a huge change from the days when manufacturers brought old, retired

brought Vento, the sedan version of its Polo hatch, to India before other global markets.

What is more, though sales growth is down, growth continues. "For all of us to have expected sales to keep pace at 20 per cent was a bit optimistic," says Vishnu Mathur, Director General, SIAM. Like Saxena, Mathur expects things to look up this festival season. Bajaj remains optimistic, but he won't say how long the current scenario may last. "Nobody knows the future; it is futile to seek to be predictive. Instead, businesses must respond to market evolution by being adaptive," he says.

Boneham of Ford does not mind being predictive, albeit for the longer term. He expects car sales to touch nine million by 2020, compared with two million last year. The company has put its money where his mouth is: on July 28 it announced plans to build a ₹4,000-crore factory in Sanand, not far from where Nano rolls out, in Gujarat.

As time goes by, maybe Boneham will remind us less and less of Ghosn. ♦

The current problem for manufacturers is compounded by the **rise in raw material costs: steel, rubber and plastic**. The three together make up most of a car

in raw material costs: steel, rubber and plastic. The three together make up most of a car. The demand for more wages by employees, which is at the centre of all agitations seen in recent years, is another issue. Given the competition in the market – there are 20 cars below ₹4.5 lakh vying for the bulk of the market – the option to increase prices is next to nothing.

models into the country. The engine of General Motors' latest launch, the diesel Beat, was developed at the company's technical research centre in Bangalore. Ford, the other American company, last year launched Figo, specifically designed for India. The trend continues with Toyota's Etios and Liva. Volkswagen, which aims to be the world's largest carmaker by 2018,

KOHLER

Relentless **power** Anytime You Need.

With so much on the line, loss of power is not an option for you, either at home or office. Offering the best technology products and uncompromising global support and service, Kohler is your one source solution for clean, quiet, dependable power and ensure you live in harmony with the environment.



Gas Generator Range: 7.5 - 400 kVA



Diesel Generator Range: 3 - 3000 kVA

Registered Office: 080 2361 6208
Bangalore: +91 99805 49530

Kolkata: +91 98310 31658
Chennai: +91 99805 49530

Delhi: +91 98181 38555
Pune: +91 98609 33311

Visit us at kohlerindia.com | info@kohlerindia.com

Car Launches in the Next Few Months

HYUNDAI 'HA'

This still unnamed car (HA is the code name) is believed to be a replacement for Santro, or, according to some reports, priced to compete with Maruti 800

MAHINDRA 'MINI' XYLO

Mahindra has a five-seat version of its Xylo in the works, which is expected to hit the roads later this year

HONDA BRIO
Honda's new small car is expected to hit Indian roads later this year



RENAULT KOLEOS
Renault's new SUV should help the French company build its brand before the big launches in 2012



SUZUKI SWIFT (REFRESH)

The new Swift is expected to kickstart Maruti sales, as long as the workers do not strike

**The fuel that
energised us into
the top 100 of the
Fortune global listing.
YOUR TRUST**

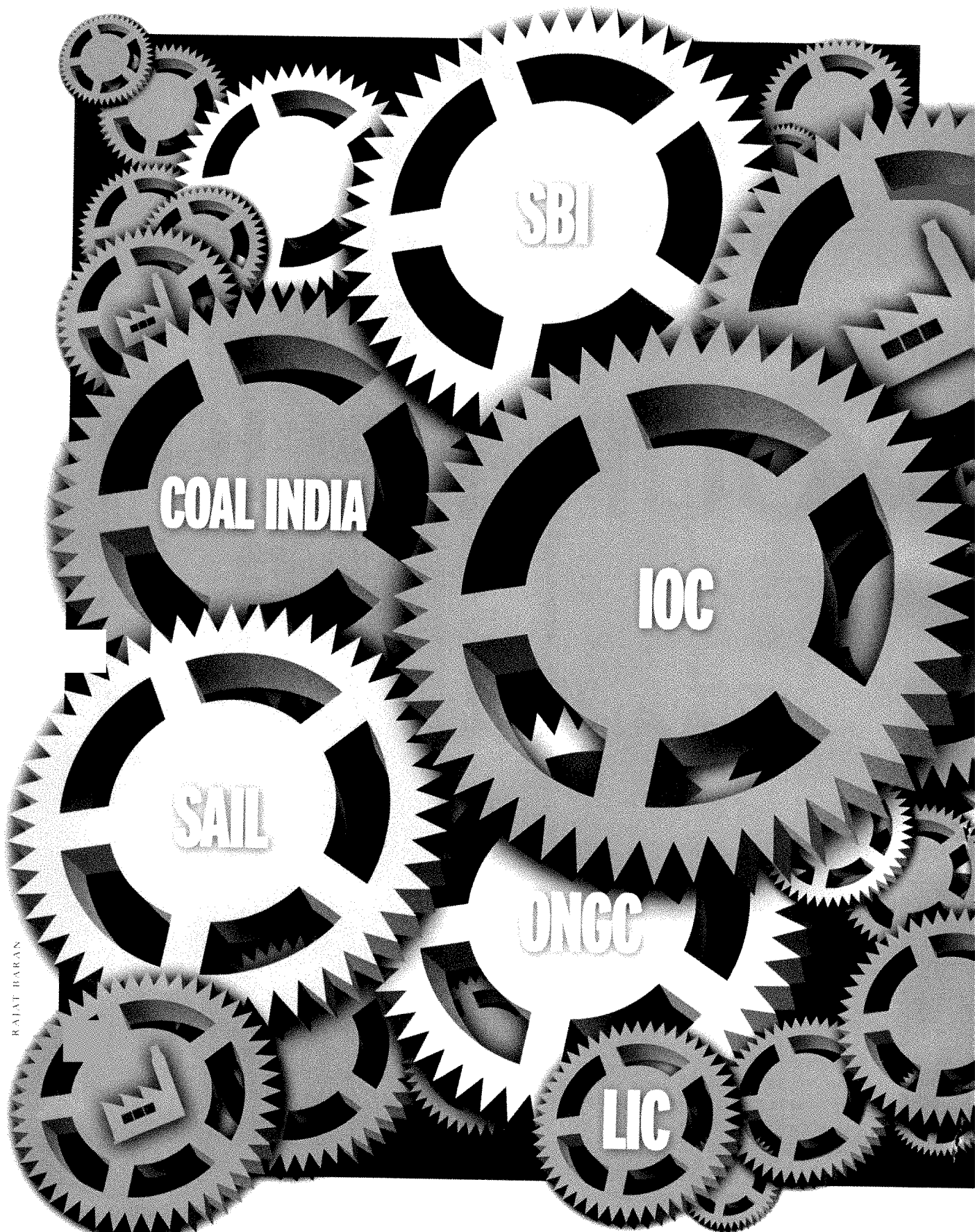
Thank You India



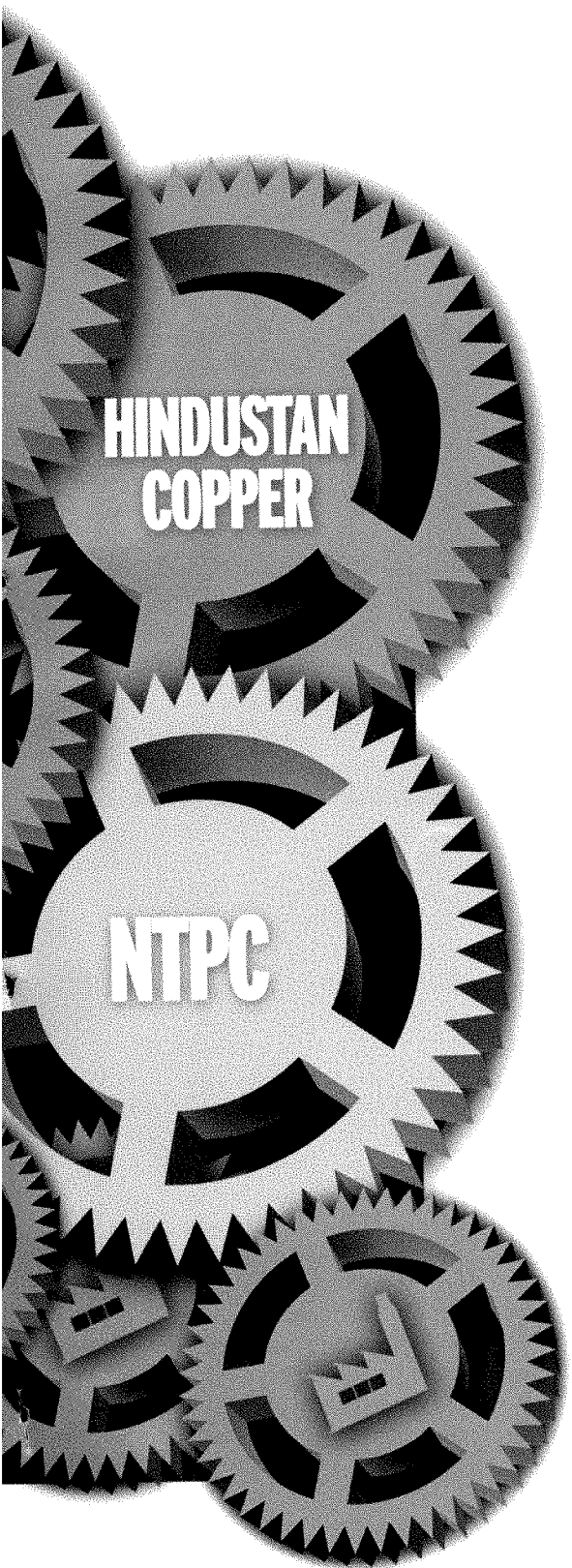
IndianOil

For over five decades now, IndianOil has been advancing technologies to deliver superior products and services to millions of Indians across the country. In the process, earning their trust and building a reputation that is second to none. Today, as we focus our resources to emerge as the Energy of India, we are proud to have crossed another new milestone in our pursuit of excellence. Thank you India.

**The only Indian company in the top 100 of the Fortune 'Global 500' listing.
IndianOil. Ranked 98th in 2011.**



RAJAT BARAN



**HINDUSTAN
COPPER**

NTPC

GROWTH ENGINES

Twenty years, economists will agree, is a good time to take a hard look at big trends sweeping an economy. When those are marked by epochal reforms and churning competition as in India, after 45 years of dominance by the state, it sets an interesting framework for a review of the public sector.

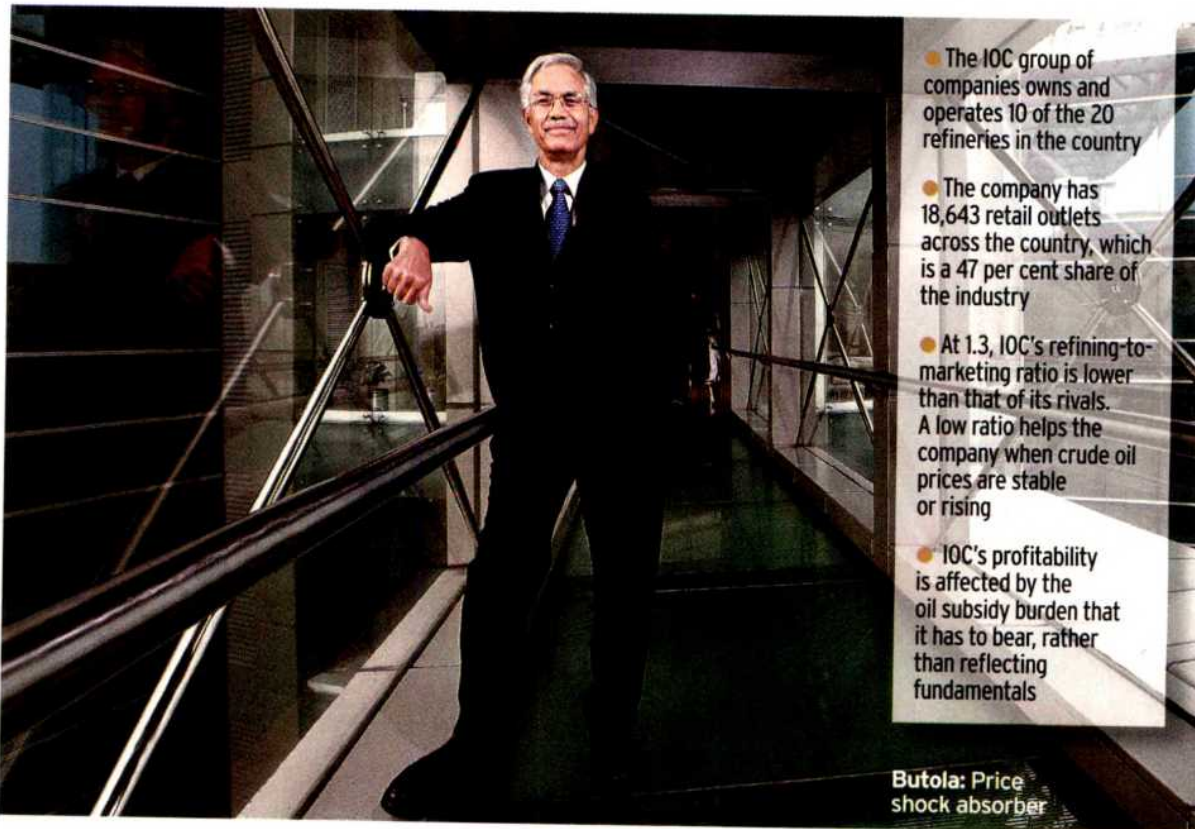
Instead of yet another analysis of how public sector units, or PSUs, have fared, *BT* decided to spot state-owned enterprises that have done very well. No doubt, these contrast sharply with the way the vast majority of PSUs have fared. Loss-making Air India or BSNL, or NTC whose collapsing mills have finally made way for million-dollar apartments, typically mark the general run of PSUs.

But as the following nine pages show, some of the companies Indian taxpayers own are true gems. Indian Oil, Steel Authority of India Ltd, Coal India, State Bank of India, Oil and Natural Gas Corp., NTPC, and Life Insurance Corp. of India compare with the best not just in India but globally, too. To be sure, there are other performers such as Bharat Heavy Electricals Ltd, GAIL India, National Aluminium Company and Power Finance Corp., to name just a few, not featured in our special package.

Then, there is the amazing story of Hindustan Copper Ltd, which the government had all but written off about 10 years ago but which came roaring back, making for a valuable asset the government wants to sell a stake in.

IOC Barrelling Ahead

SHEKHAR GHOSH/www.indiatodayimages.com



- The IOC group of companies owns and operates 10 of the 20 refineries in the country

- The company has 18,643 retail outlets across the country, which is a 47 per cent share of the industry

- At 1.3, IOC's refining-to-marketing ratio is lower than that of its rivals. A low ratio helps the company when crude oil prices are stable or rising

- IOC's profitability is affected by the oil subsidy burden that it has to bear, rather than reflecting fundamentals

Butola: Price shock absorber

It is well known that rising crude oil prices hurt the profitability of oil marketing companies. But few know better than R.S. Butola, Chairman and Managing Director of Indian Oil Corp., or IOC, how a company can minimise this impact and emerge a winner.

IOC refines and markets petroleum products. It can refine up to 65.7 million tonnes a year, which is 34.8 per cent of India's refining capacity, the largest in the country. The real challenge, though, is in marketing. IOC makes huge losses selling petrol, diesel, kerosene and domestic LPG below market price as mandated by the government. In 2010/11, it absorbed a loss of ₹4,845 crore on fuel sales.

In response to this challenge, IOC

has modernised plants and strengthened its presence in petrochemicals. Over the 11th Five-Year Plan, it is expected to spend ₹4,500 crore on upgrading refineries.

"By using modern processes, we have been able to convert many black products into high-value fuel such as LPG and petrol," says Butola, adding that the company's distillate yield has improved significantly from 71.5 per cent in 2004/05 to 75.4 per cent in 2010/11. A better yield means that it extracts more high-value products from every barrel of crude.

According to Butola, petrochemicals are a prime driver of growth. The company entered this segment in 2004 with a single unit in Gujarat. It has opened two

large petrochemical refineries in Panipat over the past four years, including the largest naphtha cracker plant in India, built last year for ₹14,400 crore.

"This unit, along with other downstream polymer units, is expected to provide stability to earnings, as the profitability of petrochemical products is not linked to the subsidy-sharing burden," says Mayur Matani, analyst at ICICI Securities, a broking firm.

In 2010/11, petrochemicals contributed roughly two per cent of the group's turnover, and IOC expects that contribution to double. Despite consistent under-recovery, its stock has yielded 26 per cent returns for the past two years.

MANU KAUSHIK

www.boi.go.th

Think Asia, Invest Thailand

SEE CREATIVE IDEAS BLOSSOM



Investments in creative industries and value-added products blossom in Thailand. As the country moves toward a creative economy, new opportunities are appearing for projects related to high-value manufacturing and services and such industries as animation, design, software development, film-making and more.



THAILAND BOARD OF INVESTMENT

Your partner for sustainable investment

Thailand's vibrant and open economy, strategic location, excellent infrastructure, treasure trove of creative talent and attractive incentives from the Thailand Board of Investment (BOI) will help your investments grow and blossom.

BOI offices at your service:

Bangkok • Beijing • Frankfurt • Guangzhou • Los Angeles • New York • Osaka • Paris • Seoul • Shanghai • Stockholm • Sydney • Taipei • Tokyo



SAIL Ore and More

SAPTARSHI BISWAS/www.indiatodayimages.com

World-Class Steelmakers

Weighted average score

Posco	1
Nucor	2
Novolipetsk	3
Arcelor Mittal	5
Nippon Steel	6
JSW Steel	7
SAIL	9
China Steel	13
Tata Steel	15
Essar	19

Total Ranked = 34

Source: WSD
Weights are given on 23 parametersVerma: No favours,
none needed

In the pantheon of steelmakers in India, perhaps only one can claim to have more than enough land and iron ore, two of three vital prerequisites to ramp up production. It isn't any of the high-profile private companies but Steel Authority of India Ltd. SAIL, set up in 1973 as a holding company to run five integrated steel plants, each of which has 25,000 to 30,000 acres of land.

Most of SAIL's plants are also linked to their own ore reserves. These are enough to last another 25 years. In 2005, when the government asked a reluctant SAIL to make the ailing Indian Iron & Steel Company a subsidiary, SAIL got in return Asia's largest iron ore reserves at Chiria in Jharkhand.

World Steel Dynamics, a leading

information service,

has noted this strength. In a June 2011 ranking of global steelmakers, it says: "While new and expanded competitors are surfacing rapidly in India, SAIL will likely continue to benefit from ownership of sizable iron ore reserves and the use of new technologies to upgrade many of its older plants."

But for the third input, coking coal, SAIL is as badly placed as other Indian steelmakers. It buys a quarter of its coking coal requirements locally, and imports the rest. "In April last year, we were importing it at \$127 a tonne, against over \$300 a tonne today," says SAIL's Chairman, Chandra Shekhar Verma, who at one point was the general manager of the

Delhi Stock Exchange and later BHEL's chief financial officer. To secure supplies, SAIL is looking for mines abroad.

Verma says SAIL has fared well after the liberalisation of the 1990s. "Earlier, whatever we produced, we were able to sell, without any consciousness of quality... today, we have to produce quality products at the most competitive price," he says.

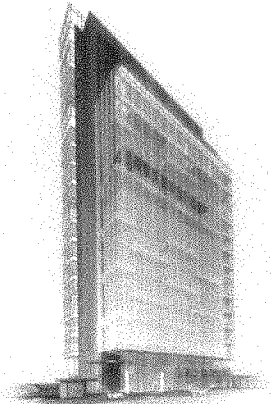
There is a downside to being a PSU: SAIL's employee costs are 18 per cent of its revenues, against seven per cent at Tata Steel and three per cent at JSW Steel. But this will improve to 11 per cent once SAIL's current modernisation is completed by 2013.

And perish the thought of the government giving SAIL sweet deals. "We are not getting any commercial thing in any subsidised way," Verma says. Instead, being a PSU, it has to put up its prices on a notice board. Talk about competitive advantage, he grumbles.

SOMNATH DASGUPTA

Difficult to choose isn't it?
Now try choosing between an
office that's centrally located or
one with superlative amenities.
So how do you choose?
You don't, with Marvel Corporate Spaces.
Office spaces with
world-class amenities,
at Pune's most elite locations.

The newly launched Marvel Sentinel
is one such example. This innovative,
70 metre high tower located on
Magarpatta Road, Hadapsar,
comes with sky gardens,
a spa, pool, gymnasium and even
places to entertain. So you never have to
make that impossible choice again.



MARVEL
SENTINEL
Future Ready

PROMOTE DESERVING CANDIDATE OR PROMOTE YOUR NEPHEW?

Marvel Corporate Spaces

Launched projects: Marvel Edge, Viman Nagar | Marvel Sentinel, Magarpatta Road

Upcoming projects: Marvel Trueno, Viman Nagar | Marvel Vista, Lulla Nagar | Marvel Fuego, Magarpatta Road

In partnership with



MARVEL
REALTORS

Call +91 020 26052506/07, 30250700 | www.marvelrealtors.com | sales@marvelrealtors.com | 301-302 Jewel Tower, Lane 5, North Main Road, Koregaon Park, Pune 411001 | Find us on

COAL INDIA**Made to Mine**

What business does the government have mining coal? Quite a lot, if the Coal India's output is anything to go by. After the reforms of the 1990s, the private sector clamoured for allocation of mining blocks, citing CIL's failure to meet demand.

So far, the government has allotted 48 billion tonnes of reserves to around 208 private parties. Their total production is just 30 million tonnes a year. In contrast to this, CIL, with 65 billion tonnes of reserves at its disposal, extracts 450 million tonnes a year.

Coal India's Chairman Nirmal Chandra Jha, who has been with the company for 37 years, told *BT* recently: "Everybody feels that only Coal India can mine coal."

But, over the past few years, CIL,

like every other mining company, has been finding it increasingly difficult to get environmental clearances and to acquire land.

Jha admits that the reforms injected a sense of competition. "When Coal India was formed, the government used to tell us to mine at any cost," Jha recalls.

Following the reforms of 1991, the government gradually stopped budgetary support. The first big break came in the mid-1990s, in the form of a World Bank loan to fund 24 open-cast projects. "That expansion gave us a boost and our profits started surging," says Jha.

Mukesh Agarwal, Senior Director

- Coal India has the highest ratio of reserves to production among global peers

- It sells coal at a 40 per cent discount to the cost of imported coal, so there is a huge upside

- Tougher environmental rules have affected expansion

- Land acquisition is also an issue

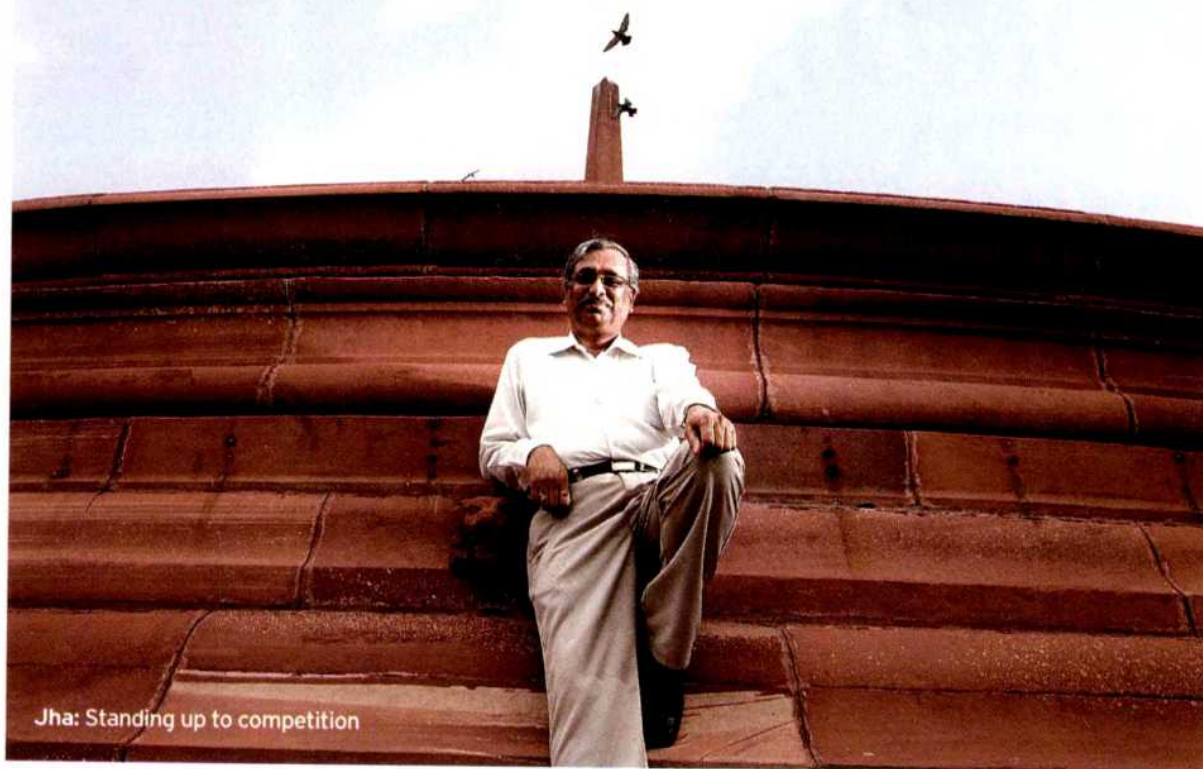
of Research at Crisil, says that Coal India has the highest reserves and reserves-to-production ratios among its peers, which provide enough room to ramp up.

"Also, operating margins are comparable to its peers, even though realisations

are at a discount to international prices," says Agarwal.

According to Microsec Financial Services, Coal India is a better investment bet than thermal power utilities, because it controls their fuel, in this case coal. This control gives it a high return on equity of 40 per cent.

SOMNATH DASGUPTA



Jha: Standing up to competition

SHEKHAR GHOSH/www.indiatodayimages.com

Your Business on a Mac. Creative. Compatible. Highly secure.

Marketing with style. Easily create stunning documents, spreadsheets and presentations.



Get your business noticed. Connect with your customers using powerful, built-in tools. Put your best foot forward. Stay organised and efficient. Enable innovation across every area of your business.

Contact us on +91 97314 60000 or SMS 'SALES' to 54646
to get details on deploying the Mac in your business,
or to schedule an onsite consultation.



**Authorised
Distributor**

Available at:

AHMEDABAD:

Apple Solution Expert: Rldham Enterprise, Ajanta Comm Centre, Opp Kapasi Handi Craft Emponum, Near Income Tax Building, Ph 9825031616
Apple Authorized Reseller: Crescent Electronics Pvt. Ltd., Shalmali, Behind Post Office, Ph 9824018555 • Ecs Infotech Pvt Ltd., Bodakdev, Ph 8980005014, 8980005021 • K P Commercial Pvt. Ltd., Fountain Place, Ph 93773 83838, 9824302809

BANGALORE:

Apple Solution Expert: Cubic Computing Pvt. Ltd., Koramangala, Ph 9980015767

Apple Authorized Reseller: Ample Technologies Pvt. Ltd., R T Nagar, Ph: 23541001/1002 • BCT Consulting, MG Road, Ph 40745454 • Creative Infotech, Manipal Center, Dickenson Road, Ph. 9880291017 • Future Business Tech, Banashankar 2nd Stage, Ph: 9845000538 • Klnfotech, Jayanagar, Ph 9845018020 • Microgenesis Cadsoft Pvt. Ltd., Jayanagar, Ph 9900013826 • Softcall, Ulsoor, Ph: 9243715425 • Vitage Bangalore, Koramangala, Ph 9902824784

CHANDIGARH:

Apple Solution Expert: Paramatrix Info Solutions Pvt. Ltd., Sector 34A, Ph 4647770, 4644333, 9815236787.

Apple Authorized Reseller: Spectra Computech Pvt. Ltd., Sector 22-C, Ph 4305555, 4305505

CHENNAI:

Apple Solution Expert: Cinthamani, T Nagar, Ph 9841088817 • Datalogics, Teynampet, Ph 9789999435 • Relitronics, Indira Nagar, Ph 9841978911

Apple Authorized Reseller: Ample Technologies Pvt. Ltd., Sivagampuram, Thiruvannamur, Ph 24528123/124 • Auro Enterprises, Anna Salai, Ph 9442634567 • Everonn Educational Resources Solutions Ltd., Perungudi, Ph: 9445034018 • Softcell, Gundry, Ph 8754493688 • Sniper Systems & Solutions, Perungudi, Ph 9884823205.

COIMBATORE:

Apple Solution Expert: Inrt Systems, Asoka Plaza, Gandhipuram, Ph 9842236755

Apple Authorized Reseller: Arkey Information Systems, STV Nagar, Peelamedu, Ph 2560669 • Indays Infotech Services (India) Pvt. Ltd., Bharathi Park Road, No 2, Saibaba Colony, Ph 9894654540.

DELHI NCR:

Apple Solution Expert: Esteem Technologies, Naraina Vihar, Ph 9312258216 • Inspire Infotech Pvt. Ltd., Nehru Place, Ph 9811078156 • RSG BroadCast (India) Pvt. Ltd., Kalkaji, Ph 9310196622 • Unicom Infosolutions Pvt. Ltd., Malviya Nagar, Ph 9811603949, 9910048866 • U. C. Infosystems Pvt. Ltd., Naraina, Phase 1, Ph 9811153334, 011-46441111 • AnyThing Mac, DLF City Phase 1, Gurgaon, Ph 0124-4995360

Apple Authorized Reseller: 4 Genkus Minds, C R Park Greater Kailash Part 2, Ph 011-46566940, 9711110759/50 • AnyThing Mac Pvt. Ltd., Yusuf Sarai, Ph 46476600 • CMS Computers Ltd., Klokian, Ring Road, Ph 9999440072 • Mac Clinic Media Solutions Pvt. Ltd., Lajpat Nagar, Ph 9899177450 • Radius Systems Pvt. Ltd., East of Kailash, Sant Nagar, Ph 9810124669, 011-46476600 • RS Two Three Two Pvt. Ltd., Naraina Industrial Area Phase 1, Ph 9810162028 • RSG Solutions Pvt. Ltd., Kalkaji, Ph 9310196613, 9310196648 • Team Computers, Mohammadpur, Ph 9312940587

GOA: Apple Authorized Reseller: Delta Technologies, Panaji, Ph 0832-6691389 • Keystone India, Panjim, Ph 0832-242076291.

HYDERABAD:

Apple Solution Expert: Conquer Technologies, Ameerpet, Ph 9849049377.

Apple Authorized Reseller: Kompuserve, S D Road, Ph 9000022155 • Mahak Data Systems, P G Road, Ph 66315331, 9866315433 • Veda Technologies, Khirathabad, Ph 9866187585

JAIPUR:

Apple Authorized Reseller: Vision Effect Technosolutions Pvt. Ltd., Gautam Marg, C-scheme, Ph. 9314509853, 0141-4013256 • BB Professionals Marketing Pvt. Ltd., Sarojini Marg, C-scheme, Ph 9828013447

KANPUR: Apple Authorized Reseller: Well Known Computers UCB-24, Somdutt Plaza, The Mall, Kanpur, Ph: 9305837025, 9389837025.

KOCHI:

Apple Solution Expert: Lasergraphics, 38/721-B2, ABM Towers, Near Rajiv Gandhi Indoor Stadium, Kadavanthara, 9447720031.

Apple Authorized Reseller: Logic Sparks Infotech, Subhash Chandra Bose Road, Kadavanthra, Ph 4020385, 9447796682.

KOLKATA:

Apple Premium Reseller: Systematrix Media, City Centre, Salt Lake, Ph: 23587162, 23580551.

Apple Solution Expert: Macintel, Rashbehari Avenue, Ph 9831023918.

Apple Authorized Reseller: Bard Roy Infotech, Elgin Road, Ph 9830063234 • Chabria Infotech, A J C Bose Road, Ph 9007056071 • Digital Solutions, Jodhpur Park, Ph: 9830871814 • Rahul Commerce Pvt. Ltd., Nabapally, Ph 9831027879 • RSG BroadCast (India) Pvt. Ltd., Ballygunge Phari, Ph 9330043717.

LUCKNOW:

Apple Authorized Reseller: Dockat Care Systems, Paper Mill Road, Lucknow Ph. 9451998866, 9415003171 • Solution, Aliganj Lucknow Ph: 9839123838, 9335902729 • S.S. Solution, J C Bose Marg, Lucknow Ph: 9839350713, 9235622005

MUMBAI:

Apple Solution Expert: RSG BroadCast (India) Pvt. Ltd., Andheri(W), Ph 4225400, 9320596640 • Fusion Software & Solutions Pvt. Ltd., Vile Parle (W), Ph 9820229114

Apple Authorized Reseller: Nyasa Enterprise, Worli, Ph 9892314281 • PCSS Solutions Pvt. Ltd., Mahim, Ph 24444373, 24445418 • Softcall Technologies Ltd., Prabhadevi, Ph 66006700 • Telebyte Technologies Pvt. Ltd., Vashi, Ph 9820551122, 27895660 • Techvantage, Andheri (W), Ph 265754308/09 • U C Infosystems, Andheri (W), Ph 26734453, 9920233102.

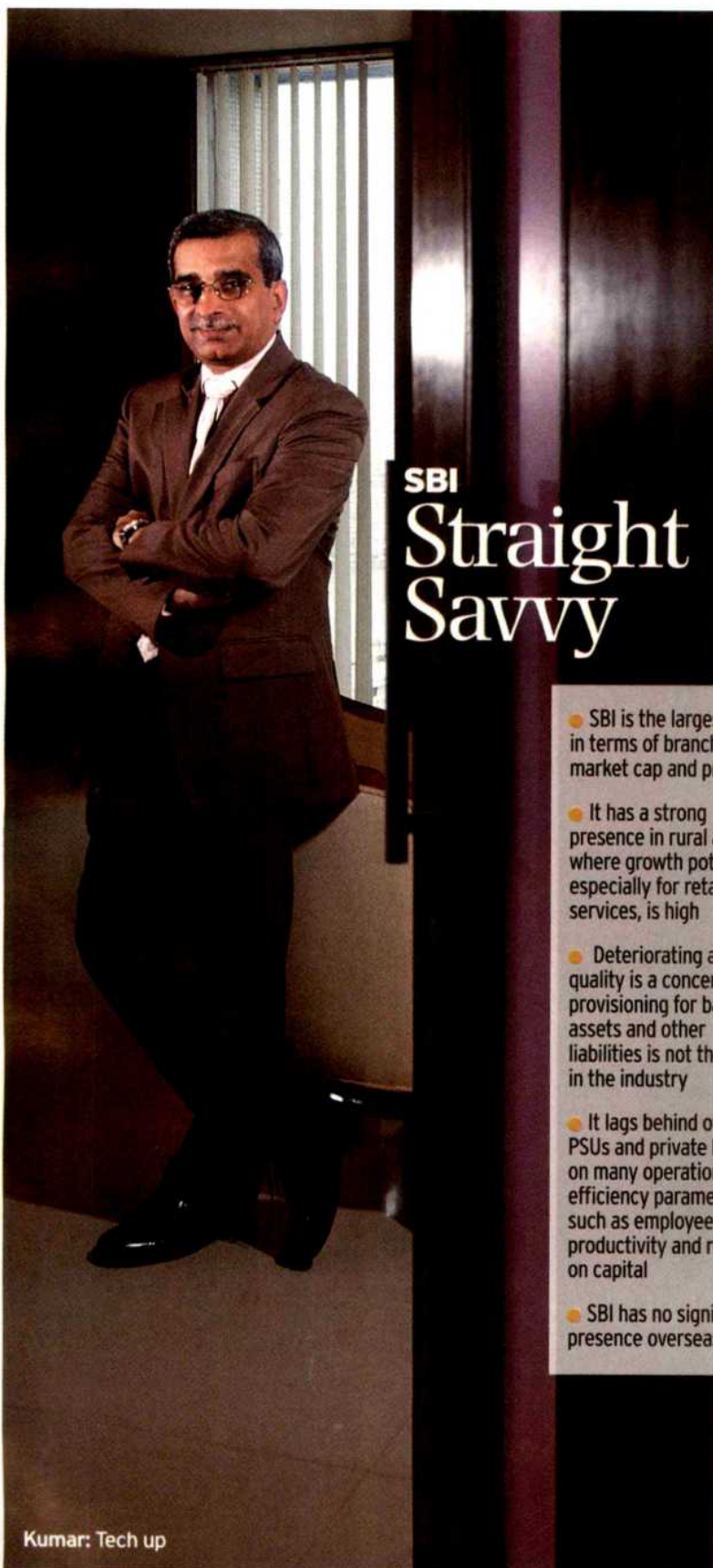
PATNA: Apple Authorized Reseller: Graphic Trades, Tarkeshwan Market, Nayatola, Ph 3250845

PUNE:

Apple Premium Reseller: Rahul Commerce, Next to E-Square Multiplex, University Road, Ph: 9096033444, 9096033666.

Apple Solution Expert: Vintech Electronic Systems Pvt. Ltd., Model Colony, Ph 25666233, 9922930402

Apple Authorized Reseller: K Comp Services, Akshay Complex, Ph 9890000679, 9021264981 • Picatype Systems Pvt Ltd., Gera Chambers, Ph 26120154, 9372136075 • SoftCall Technologies, Wakdewadi, Ph 66006700



SBI Straight Savvy

- SBI is the largest bank in terms of branches, market cap and profits
- It has a strong presence in rural areas, where growth potential, especially for retail services, is high
- Deteriorating asset quality is a concern. Its provisioning for bad assets and other liabilities is not the best in the industry
- It lags behind other PSUs and private banks on many operational and efficiency parameters, such as employee productivity and return on capital
- SBI has no significant presence overseas

Kumar: Tech up

What was the most challenging task for State Bank of India after liberalisation? "Teaching computers to an employee who hasn't seen a machine in his life," says A. Krishna Kumar, its managing director, glancing at his BlackBerry at a meeting on the 18th floor of the bank headquarters in South Mumbai. Imagine the scene then: employees with an average age of over 50, faced with the new demons in their life, struggling to achieve control of the mouse.

SBI was no match for the HDFCs and the ICICIs of the country with their young computer-savvy staff and no historical baggage. Today, the tables seem to be turning. SBI is ahead in the new hot spot of mobile banking. "We are probably the largest in terms of volume," says Kumar, who earlier handled the IT portfolio as deputy managing director of

the bank. SBI doubled its network by installing a record 10,000 ATMs in 2009/10, a feat of which Kumar is particularly proud.

It helps that the government, representing 59 per cent ownership, brings in the much-needed capital. Come August 6, the 13-member SBI board will land in New Delhi to meet Finance Minister Pranab Mukherjee. The agenda: the ₹50,000 crore SBI needs to fund its growth.

But Kumar says the bank is rock steady, despite recent doses of additional provisioning, which dealt a body blow to its net profit. "We absorbed the negative features (provisioning for teaser loans, pension, and so on) of 2010/11 very easily," he says. The focus, under Chairman Pratip Chaudhuri, is also on asset quality and performance parameters like return on capital. Kumar says the bank will look at growth – but not without profitability.

ANAND ADHIKARI

ONGC

Sea of Opportunity

Most upstream oil companies would be delighted by sustained high global crude oil prices. Not energy giant Oil and Natural Gas Corp., or ONGC, which accounts for 68 per cent of India's oil and gas production. High crude prices hurt ONGC by escalating exploration costs and increasing the subsidy burden, which in turn tell on the stock price. But A.K. Hazarika, ONGC's Chairman and Managing Director, says fresh discoveries, monetisation of unused assets, and a strong overseas performance will help the company grow.

Its crude production target has been raised from 125 million tonnes in the 11th Five-Year Plan to 130 million in the 12th Plan. "We're trying to monetise offshore fields that were

unviable earlier," says Hazarika. "Because of high gas prices and better price realisation, we can begin production there now." Production in these fields will start in 2013, and generate about five million tonnes, or 19 per cent of ONGC's total oil output.

ONGC's reserve replacement ratio or RRR has exceeded one for six consecutive years. RRR measures the new reserves added in a year against the amount extracted. An RRR greater than one suggests production will increase. In 2010/11, it was 1.76.

ONGC owns 56 deep-water blocks, allocated to it under the New Exploration Licensing Policy regimes between

1997 and October 2010. Analysts say there is huge potential for discoveries there. "ONGC had initial success in the KG block," according to Harshad Borawake, analyst at Motilal Oswal Securities, which has a buy recommendation on ONGC. "Significant discoveries in the Cambay and Mahanadi fields could boost valuations."

The time from discovery to production is longer for deepwater assets than for onshore and shallow-water ones. "By 2016/17, we aim to convert some deepwater discoveries to production," says Hazarika.

MANU KAUSHIK

● ONGC's market capitalisation of ₹2.36 trillion is the highest among all listed PSUs

● At 47.5 million metric tonnes of oil equivalent, ONGC's oil and gas production is the highest in the country

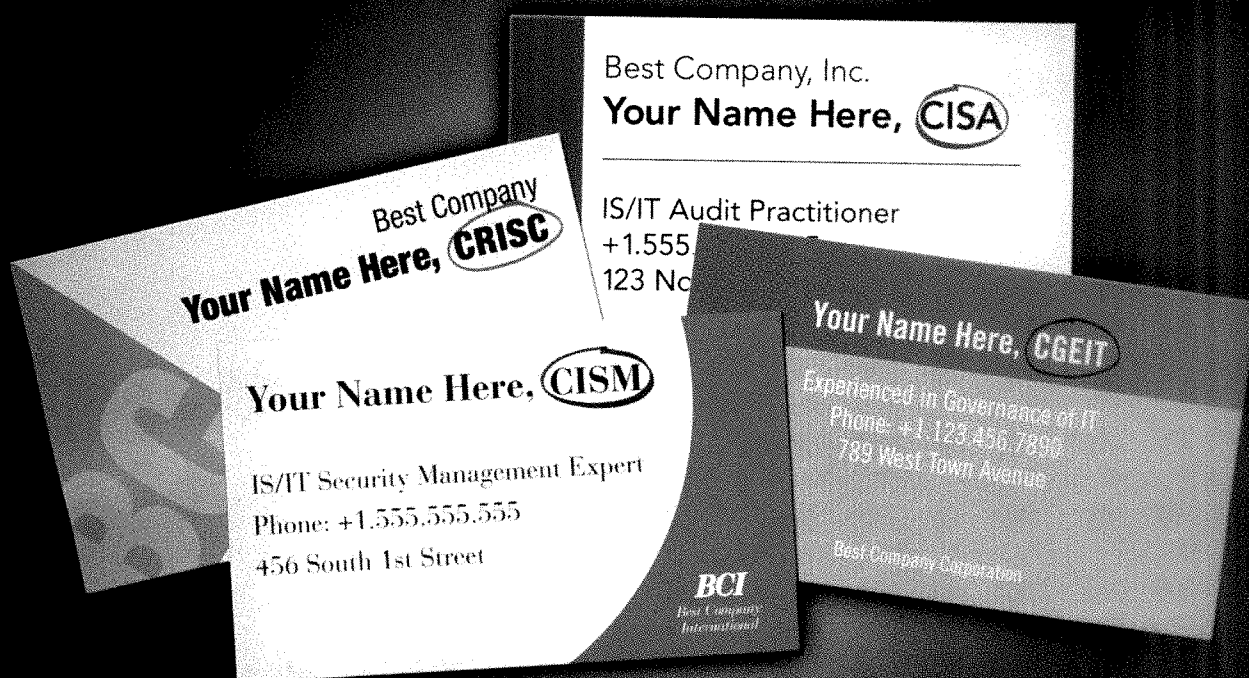
● Due to a higher subsidy burden, ONGC's net crude price realisation was \$53.77 per barrel in 2010/11, a discount of \$31.32 on the actual sale price

● Out of the seven producing basins discovered in India so far, ONGC has found six



Hazarika: Plenty in reserve

Demonstrate your value without saying a word.



Résumés/CVs may *list* your experience and knowledge,
but an ISACA® certification designation after your name *proves* it.

www.isaca.org/certification-businessstoday



Certified Information
Systems Auditor®
An ISACA® Certification



Certified Information
Security Manager®
An ISACA® Certification



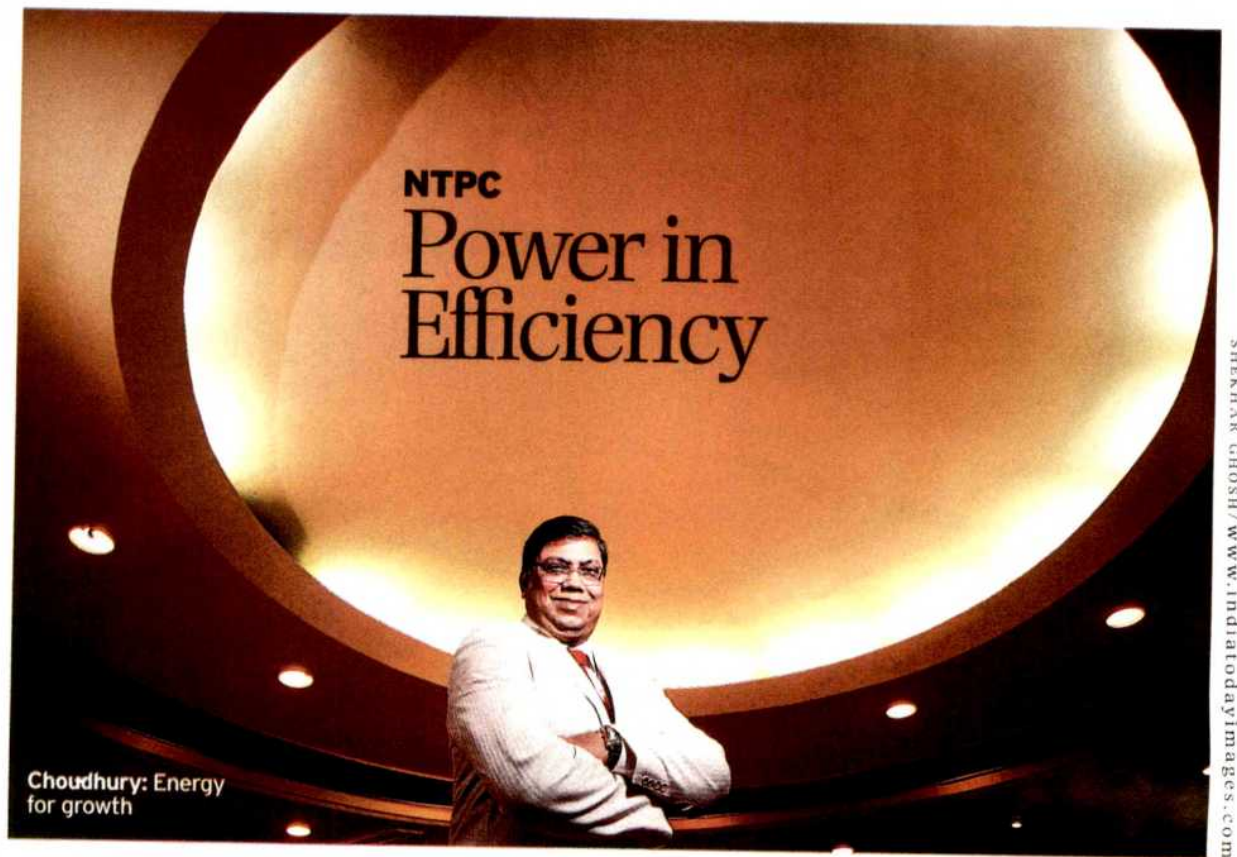
Certified in the
Governance of
Enterprise IT®
An ISACA® Certification



Certified in Risk
and Information
Systems Control®
An ISACA® Certification

December Exam Date: 10 December 2011
Registration Deadline: 5 October 2011

ISACA®
Trust in, and value from, information systems



With a total installed capacity of 34,194 MW, NTPC is more than 10 times bigger than its nearest competitor in the private sector, Tata Power. The company, which has around 18 per cent of the total national power capacity, contributes 30 per cent to its total power generation.

NTPC Chairman and Managing Director Arup Roy Choudhury says that is a result of better capacity utilisation. "In the last financial year, we achieved a plant load factor (PLF) of 88.29 per cent against the national average of 75.07 per cent, which means that the company has utilised its fuel optimally and effectively."

In order to secure this fuel, NTPC is using a multi-pronged strategy. First, it has signed a 20-year contract with Coal India to ensure 90 per cent of coal supplies for its existing plants at a 40 per cent discount to imports. At the same time, it is pursuing coal

block acquisitions in Indonesia and Mozambique apart from scouting for mines in Australia and Canada through a joint venture.

NTPC has also ventured into coal mining. However, out of eight blocks allocated to NTPC by the coal ministry, five have been deallocated on charges that it is not serious about developing them.

"We are hopeful that the government will reconsider its decision," says Choudhury, 54, who moved to NTPC last year in September after serving as CMD of the National Buildings Construction Corporation where he became the youngest-ever public sector CEO.

Still, shortage of coal and delays in capacity expansion could affect the

● NTPC is focusing on backward integration by acquiring and developing coal mines

● It aims to reduce its dependence on coal, from around 85 per cent at present to 56 per cent by 2017

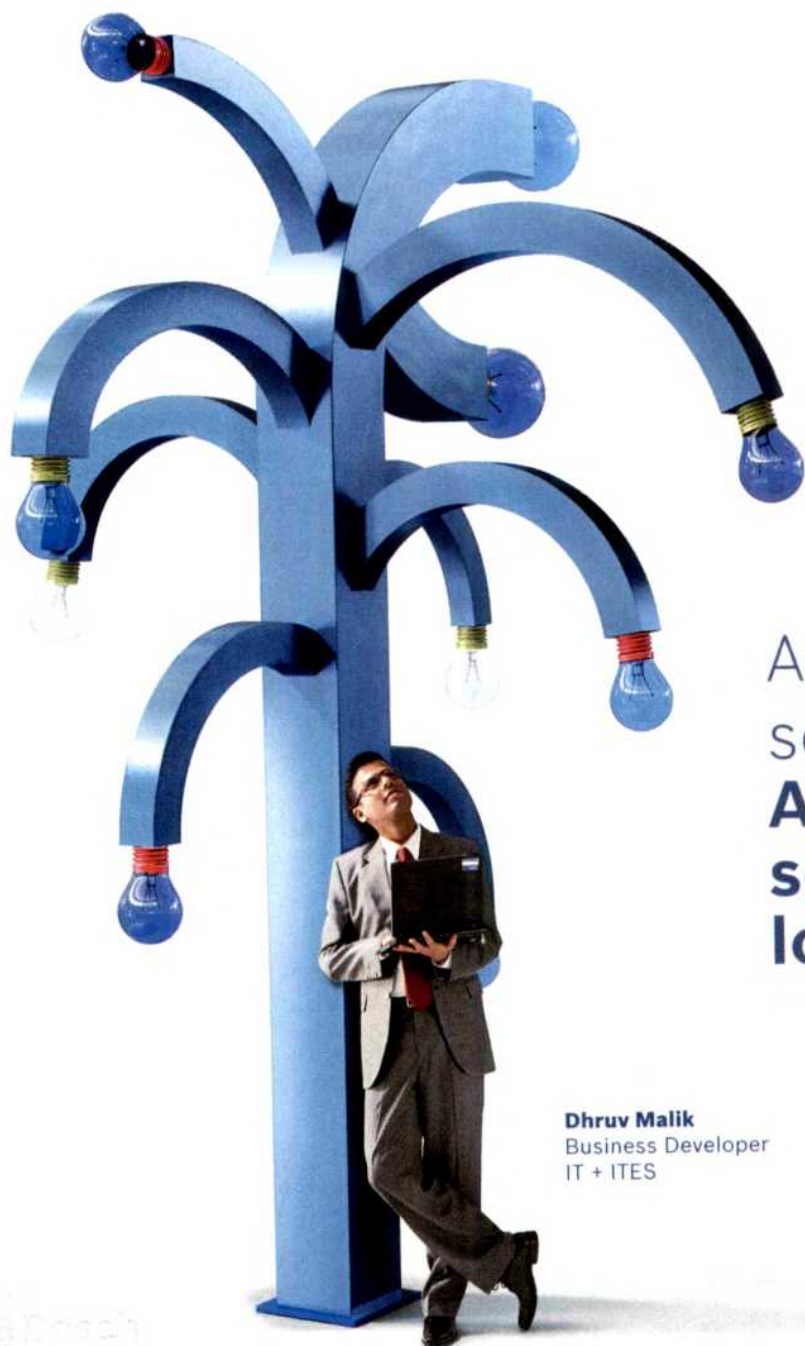
● Seven NTPC thermal power stations figure among the top 10 stations in the country in terms of plant load factor

company's operating efficiencies and hence its earnings. In 2010/11, the company blended 7.8 per cent of its coal consumption with imported coal, up from 4.9 per cent in 2009/10. Higher blending translates into higher cost of power generation. For every increase of 10 percentage points in blending, the cost of generation goes up by

30 to 40 paise per unit.

Choudhury admits that imports will likely continue. But he points out that NTPC has come a long way in project execution. From 68 months, project execution time is down to 39 months, as with Dadri brownfield and Jhajjar greenfield projects, he says.

MANU KAUSHIK



A good idea will
solve a problem.
**A brilliant one
solves a whole
lot more.**

Dhruv Malik
Business Developer
IT + ITES

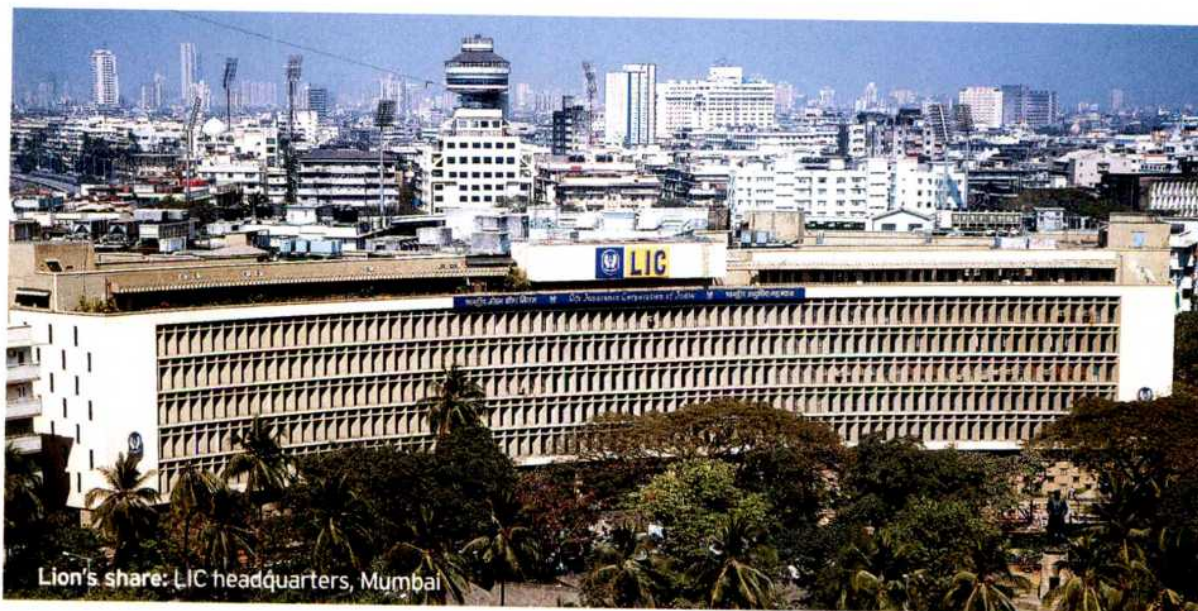
125 Years
Bosch 1886-2011

 It's always good to think about tomorrow today. That's why, to meet the global challenges of our times, we develop, produce, and market internet-based products as well as energy-efficient solutions that protect the planet and go easy on resources. As a leading technology company and service provider with 300,000 associates all over the world, we take our corporate, social, and environmental responsibility seriously. If you'd like to put your brilliant ideas to work: www.bosch.com/bosch-thinking



BOSCH
Invented for life

LIC The Big Daddy



Lion's share: LIC headquarters, Mumbai

As a home loan officer with a private sector bank, Yatindra Pathak says he has often heard people say: "Mere pass ICICI ka hi LIC hai" (I have ICICI's LIC). LIC, or the Life Insurance Corporation of India, is practically synonymous with insurance in the country. And with good reason: despite 22 private entrants into the industry since it was liberalised in 2000, LIC has the lion's share.

At ₹86,445 crore, it notched up an overwhelming 69 per cent share of first premiums in 2010/11 – nearly 22 per cent more than in the previous year. By contrast, private insurers garnered a cumulative ₹39,831 crore, which worked out to an annual growth of 2.56 per cent.

The sailing has not been all smooth, though. In 2009/10, 75 per cent of LIC's new business came through unit-linked insurance policies, or ULIPs. But regulators questioned the governance of these products. The Securities Exchange Board of India wanted to oversee them be-

cause of their high investment component, and the Insurance Regulatory and Development Authority wanted to continue overseeing them as they did, after all, provide insurance. The insurance regulator framed stringent norms for ULIPs. "The entire sales focus has now moved to non-ULIP products," says an LIC official who asked not to be named. With lower advisor commissions and ULIP sales, new business premiums for the industry as a whole shrank 12 per cent in April-May 2011 compared to the previous year. Business dropped eight per cent for LIC, and 23 per cent for private insurers.

LIC's nationwide sales force of 1.34 million advisors is just one of its

- LIC is the industry leader, with a 69 per cent market share in 2010/11

- Compared to 2.6 per cent annual growth in first-year premiums for private insurers, LIC recorded growth of nearly 22 per cent in 2010/11

- LIC has the largest sales force of 1.34 million advisors, as of March 2010

- LIC's 13.1 per cent expense ratio (including advisor commission) is lowest in the world

- With total investments of ₹10.96 trillion, LIC was India's largest institutional investor as of March 2010

strengths. "The government guarantee gives it the edge on private players," says the head of a private insurer. Of course, the guarantee does not come free. LIC is among India's largest institutional investors, and the biggest participant in state and public sector bond issues. Its investments in 2009/10 were ₹10.96 trillion, of which roughly 92 per cent was in securities, and 7.75 per cent was in loans. In 2009/10, LIC paid ₹3,625 crore in taxes, and another ₹1,030 crore was the government's five per cent share of LIC's life fund valuation surplus. So LIC not only insures lives, but also helps keep the economy healthy.

RAJIV BHUVA

FROM A TIME WHEN YOU DIDN'T NEED
A BATTERY OF LAWYERS TO SETTLE AN ARGUMENT.

Music CD

EXPERIENCE THE BEGINNING.



WM. TEACHER & SONS

TEACHER'S ORIGIN

the spirit of achievement

HINDUSTAN COPPER

In Its Element

SUBIR HALDAR/www.indiatodayimages.com

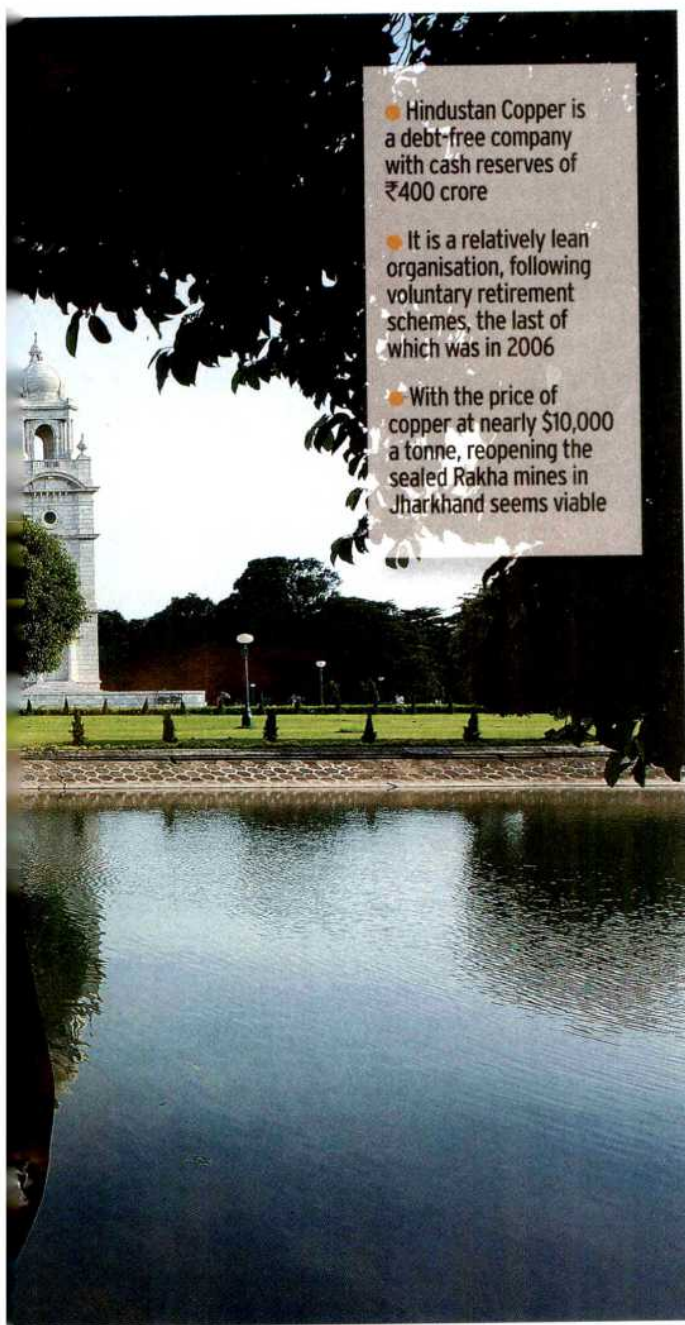
**Ahmed:** Searching for value

Copper prices had melted, the new Central government was gung-ho about selling government-owned industrial undertakings, and unions were fighting a rearguard action. The word was out: Kolkata-based Hindustan Copper was to be sold.

The company had made profits up to 1996, but a bloated workforce, lack of economies of scale, and low metal prices had pushed it into the red. For the Bharatiya Janata Party-led National Democratic Alliance government, the company was a potential candidate for sale.

Then came a Supreme Court ruling in another case: a company nationalised by an Act of Parliament cannot be sold by administrative fiat. Someone remembered that the Ghatsila unit in Jharkhand, earlier the Indian Copper Complex, had been nationalised by an Act of Parliament in 1972. Besides, a new government replaced the BJP and scrapped the plan to privatise Hindustan Copper.

Shakeel Ahmed, who took over as chairman and managing director in October 2009, knows the company's woes well: surplus labour, locational disadvantages,



- Hindustan Copper is a debt-free company with cash reserves of ₹400 crore
- It is a relatively lean organisation, following voluntary retirement schemes, the last of which was in 2006
- With the price of copper at nearly \$10,000 a tonne, reopening the sealed Rakha mines in Jharkhand seems viable

poor economies of scale, and low copper prices. He has a blueprint for success. "Our new focus is on mining, not smelting," he says.

Ahmed, who belongs to the Indian Railway Service Mechanical Engineering cadre, inherited a leaner organisation. At one time, Hindustan Copper had more than 26,000 employees, spread across the Ghatsila complex in Jharkhand, the Malanjkhand project in Madhya Pradesh, the now-closed Khetri complex in Rajasthan, and Taloja in Maharashtra. Now it has 6,000. The last voluntary

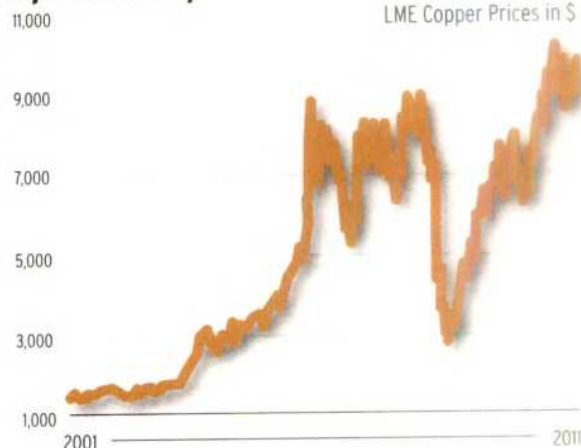
retirement scheme was implemented in 2006.

Making copper, as Ahmed explains, is an enormously wasteful process. The copper content of Indian ore is one per cent. Even so, it is higher than the world average, as mining companies elsewhere have exhausted richer ore.

The ore is treated to increase the copper concentration to 25 per cent, smelted to increase it to 90 per cent, and refined to raise it further to 99.99 per cent. But costs are high, and margins low, for smelting and refining. Private-sector majors such as the AV Birla group and Sterlite make money by smelting and refining imported ore at plants near the coast.

Hindustan Copper itself often has its ore processed by these companies. "Smelters are viable above capacities of one million tonnes," says Ahmed. Hindustan Copper can

Up and Away



smelt just 50,000 tonnes a year, compared to five million tonnes at the Birla plant at Dahej, and four million at Sterlite's Tuticorin facility. "Smelting costs \$80-100 per tonne, while copper sells for \$9,650 per tonne," says Ahmed. "So 95 per cent of the value is in mining."

In 2002/03, when privatisation was in full swing, bureaucrats in Delhi ordered shafts at Rakha mines in the Ghatsila complex – one of the country's largest copper deposits – to be plugged with concrete. This is usually done only for mines that are exhausted. Today, the management is trying to reopen the shafts. At current prices, it makes sense.

To raise funds, the company has been planning to get 10 per cent fresh equity from the government, and offload 10 per cent in the market. "Now the thinking is, we may not go in for fresh equity, only divestment," says Ahmed. "But a final decision has not been taken." There will be no full sale though, he adds. Hindustan Copper is a debt-free company, with cash reserves of more than ₹400 crore.

SOMNATH DASGUPTA



COLUMN/ BIBEK DEBROY

A Poor Policy for The Poor

The disinvestment target for 2011/12 is ₹40,000 crore. Since 1991, we have never touched that amount. The best we did was around ₹15,550 crore in 2003/04. But those were days of strategic sales, when management could be transferred. One could hope to improve the efficiency of Central Public Sector Enterprises, or CPSEs.

The efficiency objective has disappeared, unless competition triggers efficiency. This is doubtful when constraints shackle managerial decision-making and prices are administratively determined. Efficiency isn't about equity ownership. Had we unshackled PSEs, equity wouldn't have mattered. But the point is: those shackles cannot be removed while government equity is over 51 per cent. Strategic sales are over now, as signalled by the conversion of the disinvestment ministry into a department. In any event, strategic sales are non-transparent, almost definitionally. Under UPA-I, barring spillovers from an earlier government (ONGC), sales to employees (IPCL, Maruti Udyog) and sales to public sector financial institutions (Maruti Udyog), nothing significant happened.

Although it isn't proper privatisation, with UPA-II, there has been some semblance of policy. The government will retain 51 per cent. Citizens must own shares (IPOs). A profitable listed CPSE must offload 10 per cent, and another 10 per cent can be offloaded on a case-by-case basis. We have discarded the word privatisation, and now say disinvestment, not divestment. Disinvestment and divestment

are synonymous. Investment adds to productive potential, and disinvestment seems an antithesis. That is, we recognise nothing productive is going on. Efficiency objectives have been overtaken by deficit management, especially when growth and revenue are down and expenditure is increasing. Setting aside the debate over receipts from asset sales being shown in deficit reduction figures, we got around ₹23,500 crore in 2009/10 and 2010/11. There was no target in 2009/10, but in 2010/11 it was ₹40,000 crore. Despite Coal India's success, we didn't touch it, though because of relatively respectable defi-

tioned earlier, such as BHEL and MMTC, now figure in the disinvestment schedule. There is no option but to use follow-on public offers, or FPOs, in excess of 10 per cent.

But however optimistic one is about the FPOs of ONGC and SAIL, ₹40,000 crore is a long way off. A rough calculation based on market prices suggests we can expect something like ₹15,000 crore. There is no obvious way to achieve targets in 2011/12. If listing is pushed through, 2012/13 should be better. How the Finance Ministry manages deficits is one question. More importantly, when will we remove the self-

An inclusive agenda means proper privatisation of public sector enterprises. Anything else is sleight of hand, even if in the name of the poor

cit numbers, some disinvestment was postponed to 2011/12.

This fiscal, we have got ₹1,150 crore till July. ₹40,000 crore is an unlikely target. ₹25,000-30,000 crore is plausible. Besides Power Finance Corp., the line-up includes SAIL, ONGC, Hindustan Copper, Rashtriya Ispat Nigam and NBCC. There are only about 25-odd listed CPSEs. There are almost 150 profit-making CPSEs, but listing takes time. Policy uncertainty, low growth, high inflation and high interest rates have made markets cagey. Even the government seems concerned about deficit numbers and meeting the target. That's why CPSEs not men-

imposed constraint of prohibiting privatisation? This is unlikely with UPA and its focus. But an inclusive agenda doesn't mean every citizen should own CPSE shares. Constitutionally, every citizen owns CPSEs. Their inefficiency results in taxes on citizens through opportunity costs of lost physical and social infrastructure. An inclusive agenda means proper privatisation of CPSEs. Anything else is sleight of hand, even if it is in the name of the poor.



Longer version of this column at
www.businesstoday.in/debroy



G8 Summit Official Pen



The Visconti Divina Black Pen was chosen by the Italian Government as the official signing pen for G8 Summit. These pens were presented as a complimentary state gift to 60 World leaders, including Mr. Barack Obama. The pens were customized with the initials of the Presidents and Prime Ministers attending the Summit. Visconti is proud to be the protagonist of such historic events.

PRESENTED BY

Émonte
The Unbound

info@emonte.com, +91 22 6699 4440/41/42. Visconti - An Italian luxury range of fountain, roller, & ball point pens.
www.emonte.com Available at

Mumbai Ethos-The Summit 022 66150351 | Gitanjali Jewels 022 67363681/82 | Bliss 022 24900082 | Damas 022 67105505 | Gitanjali Jewels 022 28776095 **Delhi** Sehgal Brothers 09560454591 | Mirari 09818899159 **Gurgaon** Damas 0124 4665651 **Ahmedabad** Damas 079 26462296 **Bengaluru** Ethos - The Summit 080 41130611, 41130612 **Hyderabad** Damas 040 66787895 **Cochin** Damas 0484 4032121 **Kolkata** Gitanjali Jewels 033 40001529 **Chandigarh** Gitanjali Jewels 0172 4052749 **Pune** Damas 0202 6333564

Sanjiv Goenka, unlike his forefathers, prefers to build companies rather than acquire them.

By SOMNATH DASGUPTA

They hanged him in the morning, right at the entrance to Victoria House, as the grand building housing CESC's headquarters was then known. He was just 14 months into his job

at the time, director of the company he had bought secretly against his father's wishes.

"My first reaction was stunned disbelief," says Sanjiv Goenka, then a 29-year-old. "I cannot read Bengali well, so I asked the man at the gate to read out the words on the poster alongside the effigy that had been hung at the gate." A shaken Sanjiv rushed to his office on the second floor and called his father's friends to ask for advice on how to tackle such aggressive union politics. "All of them gave me very practical advice," he says.

Yet not for nothing was Sanjiv the son of Rama Prasad Goenka, grandson of Keshav Prasad Goenka and the great grandson of Sir Badridas Goenka, the first Indian Chairman of the Imperial Bank of India. Very soon, he won over the unions by instilling in all employees a sense of pride in belonging to what was then known as the Calcutta Electric Supply Co. He managed the unions so well that four or five years later, he was able to trim the workforce by 3,500 people in a single day without anyone protesting.

When the Goenkas took over CESC, the company that



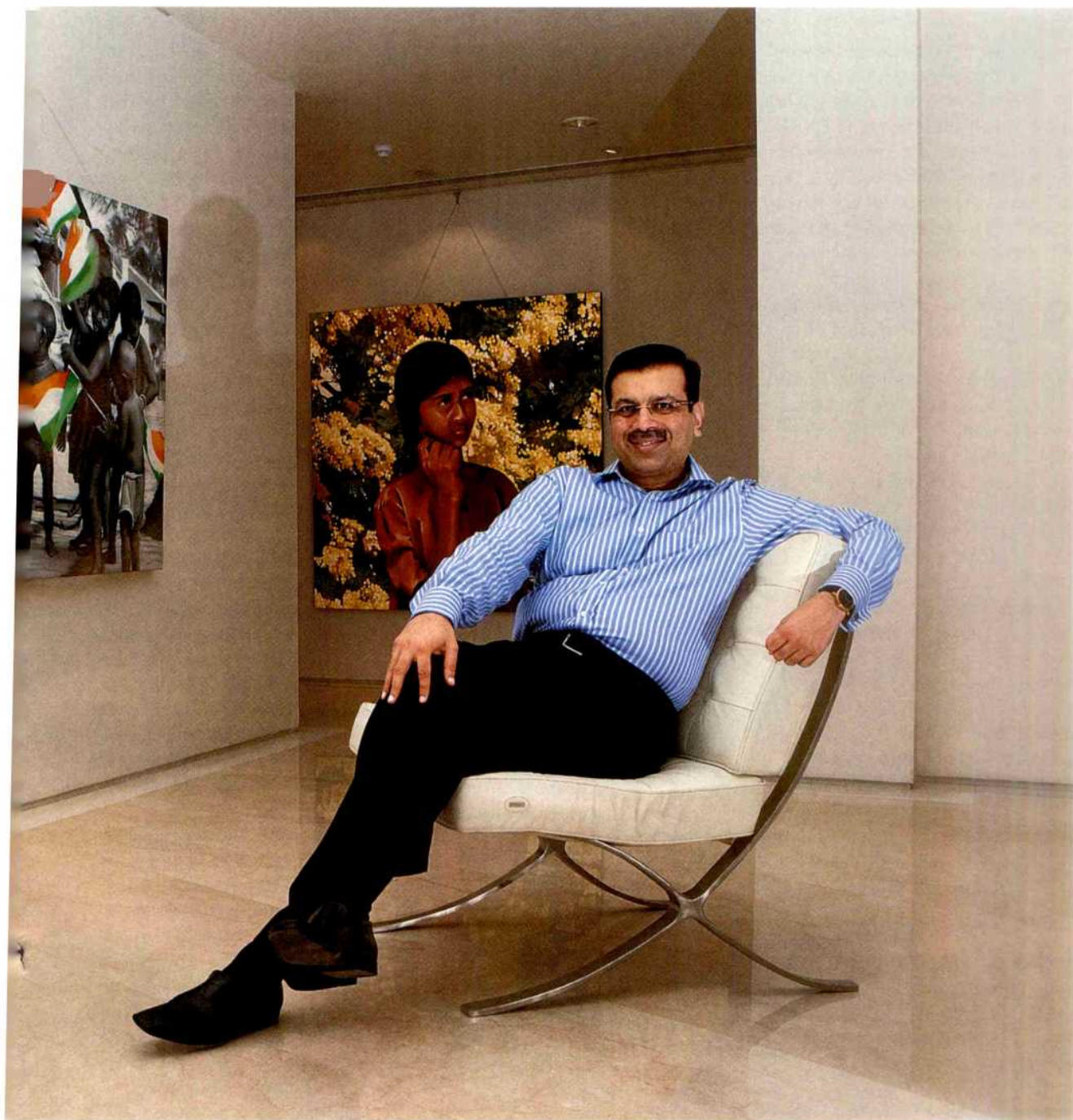
Shining in His Own



Light

supplies electricity to Kolkata was a moribund business. The government's attitude to the private sector playing any role in power generation was far from encouraging. Yet today, CESC is the flagship of Sanjiv Goenka's ₹9,000-crore business empire.

But CESC is no longer synonymous with RPG Enterprises, which for long was the umbrella brand for the companies run by Sanjiv, 50, and his Mumbai-based elder



SUBIR HALDAR/www.indiatodayimages.com

brother Harsh, 53. In 2010, their father Rama Prasad 'RP' Goenka, who had expanded the business empire with a series of takeovers, formally divided his companies among his two sons. Sanjiv got CESC, Spencer's, Phillips Carbon Black, Saregama and a part of Harrisons Malayalam. While the split was RP's decision, the creation of a new logo was Sanjiv's idea. But the split and the new identity – RP-Sanjiv Goenka Group – have not been followed by a

big bang of new initiatives. Sanjiv has been taking various initiatives steadily over the past decade, though without the flourish of his father.

After taking over the reins at CESC in 1989, Sanjiv spent the 1990s preparing the company for the big leap from being Kolkata's much-reviled utility – long power cuts had become the norm in the city – to setting up projects across the country: in Jharkhand, Maharashtra

and Noida in the National Capital Region. At the same time, he kept growing his carbon black operation as well. Phillips Carbon Black Ltd, which is now India's largest and the world's eighth-largest.

His group today operates in five sectors: power and natural resources, carbon black, retail, media and entertainment, and infrastructure. It is aiming to raise its revenues nearly three times in the next five years to touch ₹25,000 crore.

Sanjiv's business inheritance was essentially what he calls "heritage companies". In 1979, RP and his two younger brothers Gouri Prasad and Jagdish Prasad decided to formally split the business empire their father Keshav Prasad had handed over to them to run. Keshav Prasad built his reputation with the takeover of Duncan Brothers, a British trading house.

RP took Phillips Carbon Black, Asian Cables, Agarpara Jute, Murphy Radio and Gramophone Company of India – later renamed Saregama. He had by then already built a reputation as a takeover man, having quietly bought Ceat Tyres in 1981; Dunlop, with the help of Manu Chhabria, in 1984; and Gramophone Company of India, in 1988. In 1971, he had also tried to buy Bombay Dyeing, which had been put on the block by Neville Wadia, but was foiled by Nusli, Neville's son.

Sanjiv first worked in Hyderabad, then returned to Kolkata as Deputy Managing Director of Dunlop, in which the Goenkas and Manu Chhabria had bought a 9.8 per cent stake. "Dunlop was a sick company when we bought it. And then it started doing well," recalls Sanjiv. "As a youngster, it gives you a kick when you are able to resolve a long-standing problem, apart from building your confidence."

But he quit Dunlop soon after turning it around, taking almost the entire senior team at the company with him, after he fell out with Chhabria. "Out of the 46 executives at the general manager level and above, 41 walked out with me," he says.

Sanjiv recalls how, in 1989, C.K. Dhanuka, now Chairman of South Asian Petrochemicals, was looking for a buyer to offload a packet of CESC shares. Sanjiv saw an

opportunity and bought the shares without telling his father, who had earlier spurned the offer. CESC, set up in 1899 in London, had become a rupee company by then, but the management was directionless. After Independence, the government had not encouraged the private sector power utilities, and CESC did not create any new capacity for the next four decades.

"Yes, CESC was small. It was bad. It was inefficient. The turnover was ₹300 crore, profit was ₹5-6 crore," Sanjiv says. "There used to be 10 to 12 hours of power cuts every day. But it's been a very interesting journey, filled with lots of challenges, not the least that of getting the team at CESC to rally behind me, to work with me, and to respect me."

It took Sanjiv almost a decade to turn the company around, and give employees a sense of direction, adding capacity along the way, and fighting battles with the government to raise tariffs.

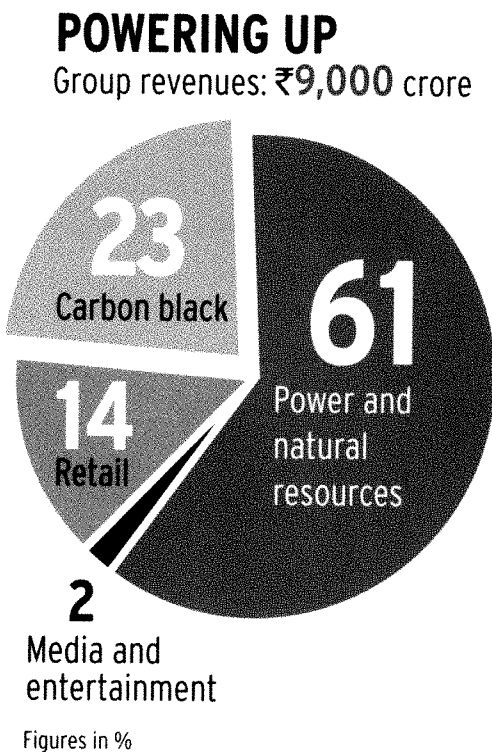
"We want CESC to be among the top five private players in power in the country," says Sanjiv. "In fact, we are already among the most efficient utilities." Three of CESC's stations are in the top 10 of the Central Electricity Authority list of private power utilities, by plant load factor, the industry's term for capacity use. The capacity goal is 7,000 MW, against 1,225 MW CESC has at present.

Sanjiv's flagship is clearly CESC. But some analysts, like the Kolkata-based Microsec, would rather bet on a coal mining company than a coal-guzzling utility. While Sanjiv does have a coal mining company that supplies half of CESC's current needs, expansion of generating capacity will require getting more coal.

Microsec Chairman B.L. Mittal feels Sanjiv's Phillips Carbon Black, a 50-year-old company in the industrial town of Durgapur in West Bengal, also has bright prospects. There is strong demand from the tyre industry for carbon black, which is made from petrochemicals. The company also exports significant quantities of it.

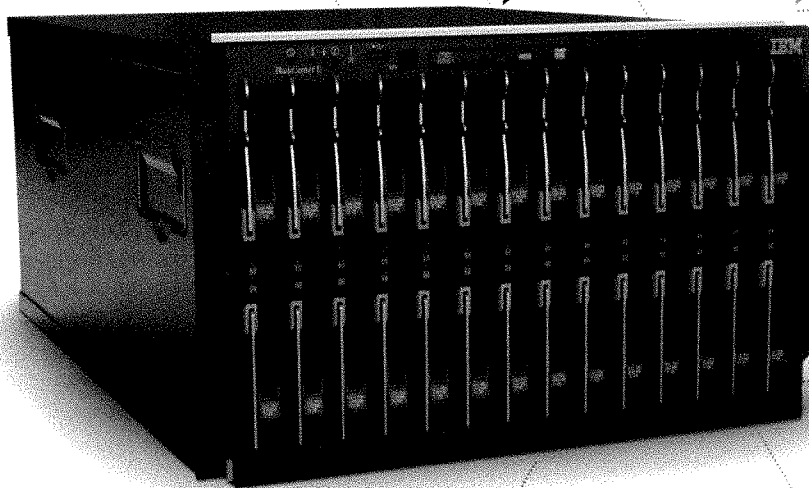
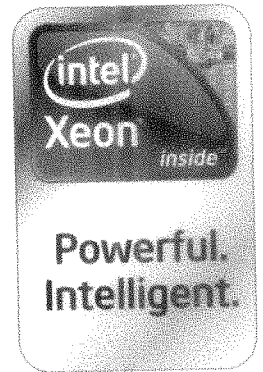
"While petrochemical prices have gone up, demand for carbon black has also grown," says Mittal.

Tucked within CESC, as a fully-owned subsidiary, is also a business with increasing consumer connect: Spencer's Retail. "In terms of revenue per square foot, which is the



The difference between networking and not working.

Some systems require you to reconfigure your network infrastructure to match their standards. Not the IBM BladeCenter® with Intel® Xeon® processors. It offers a broad range of networking technologies—including some of the most advanced virtualisation solutions in the industry. So you can choose the one that works best with your infrastructure. And IBM BladeCenter can save you up to 40% on networking costs versus competitive offerings.¹



OSM123IBMNW1

Take 10 minutes to see for yourself.

Learn how you could achieve a 3-month ROI on your migration with our Systems Consolidation Tool. Visit ibm.com/systems/in/blade

1. The 40% cost savings are based on a comparison of the acquisition costs of 10 current generation HP rack optimised solutions (ie, DL380 G7 ProLiant with 10 GbE Ethernet and Fibre Channel infrastructure) to 10 current generation IBM BladeCenter and HS22 systems with converged fabric solutions from Brocade. See www-03.ibm.com/systems/bladecenter/hardware/openfabric/foe.html. The IBM solution includes chassis infrastructure. Pricing utilises publicly available pricing per port for 10R ethernet and FC switching infrastructure as of Jan 2011. The 40% networking hardware costs savings result from eliminating separate Ethernet and Fibre Channel cards and switches in the deployment of an IBM BladeCenter FCoE solution for 10 servers and associated networking hardware in comparison to the HP solution. IBM, the IBM logo, ibm.com and BladeCenter are trademarks of International Business Machines Corp. registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at www.ibm.com/legal/copytrade.shtml. Intel, the Intel logo, Xeon and Xeon Inside are trademarks of Intel Corporation in the U.S. and other countries. © International Business Machines Corporation 2011. All rights reserved.



barometer of the retail trade, Spencer's earnings are probably the highest in the food retailing industry," says Sanjiv. What about Food Bazaar? "We are talking of revenues per square foot, not total revenues," he retorts.

Gaurav Dua, Head of Research, Sharekhan, agrees. "Food Bazaar on an average clocks around ₹12,000 sales per sq ft. We believe Spencer's also clocks similar revenue per sq ft after the recent consolidation of stores and other initiatives taken to improve its revenue mix." Can Spencer's scale up significantly and gain from foreign direct investment in retail? Dua notes that Spencer's could be an attractive investment option for multinationals.

For now, Sanjiv is not worrying too much about his shareholders. "In terms of operational performance, we are clearly the best in the industries we operate in – be it CESC, Phillips Carbon Black, Spencer's or Saregama," he says.

It is the pace of growth that is important. Says Sanjiv: "In five years, our target is for revenues to rise to ₹25,000 crore and assets to ₹50,000 crore. There is a ₹35,000-crore capital expenditure plan."

Where will the money come from? "Our debt ratio at no stage will go beyond 1.2:1, and internal accruals at CESC will be enough," he says. "Over the next six years, the group will generate internal accruals of nearly ₹9,000 crore." Of this, ₹6,500 crore will come from CESC, and ₹2,000 crore from Phillips Carbon Black.

Sanjiv does not consciously take into account his brother Harsh's empire as he goes for growth, but the links between their businesses will stay. So Harsh buys carbon black from Sanjiv for CEAT's tyres business, while Sanjiv uses Harsh's transmission towers and cables. "It's an arm's length relationship. All things being equal, we give each other priority," says Sanjiv.

As Sanjiv builds on his heritage, people who have worked with him, as well as with RP, say the son has inherited many traits from his father, even though the acquisition gene has been passed on in a much more subdued form. "Well, my father was very famous. I am not

very famous. So that's one thing I have certainly not inherited," says Sanjiv.

What role will Sanjiv's children play in the business? While unveiling the new logo in July, Sanjiv also publicly introduced his son Shashwat, 21, who is currently doing a triple major at Wharton Business School in the US. Shashwat's birth almost coincided with the CESC takeover, and his childhood ran alongside CESC's difficult decade.

"Neither I nor my wife have ever sat down with our children [they also have a daughter, aged 26] to help with their homework," says Sanjiv. "I believe that if you spoon-feed a child, he or she will never learn to be decisive."

He follows the same policy with the senior officials at his companies. "Our CEOs are fully empowered, and they are very capable... They take the operating decisions," he says. "But if any company goes under, it will be because of me, because ultimately the decisions are mine."

While Saregama and Spencer's are two retail brands familiar to most people across the country, Sanjiv has chosen CESC as the platform for his biggest national play.

"You have to grow beyond one city," he says. "One city, no matter how attractive, offers only limited opportunities."

"We want to be among the top five private power players in India... players such as the Tatas, Reliance, Lanco and Adani," says Sanjiv. Getting there does not look difficult, with the new power plants and distribution zones. The independent power projects at Chandrapur in Maharashtra, and Haldia in West Bengal are being built. Another project in Orissa is under process.

For now, Sanjiv can clearly push ahead more aggressively with his own identity. As Vivek Saraogi, Managing Director of Balrampur Chini, says: "I see him growing... When you are responsible for only yourself, your risk-taking ability goes up." Saraogi, 45, is more of a family friend, but the two do discuss business.

What Sanjiv will not do for certain is make flashy moves. "His style is understated, he is not the boastful type at all," says Saraogi. ♦

THE RP-SANJIV GOENKA GROUP COMPANIES

POWER AND NATURAL RESOURCES

- ✦ CESC
- ✦ Noida Power Co*
- ✦ Integrated Coal Mining*

CARBON BLACK

- ✦ Phillips Carbon Black

RETAIL

- ✦ Spencer's Retail*
- ✦ Au Bon Pain Café
- ✦ Music World Retail

MEDIA & ENTERTAINMENT

- ✦ Saregama India
- ✦ Open Media Network

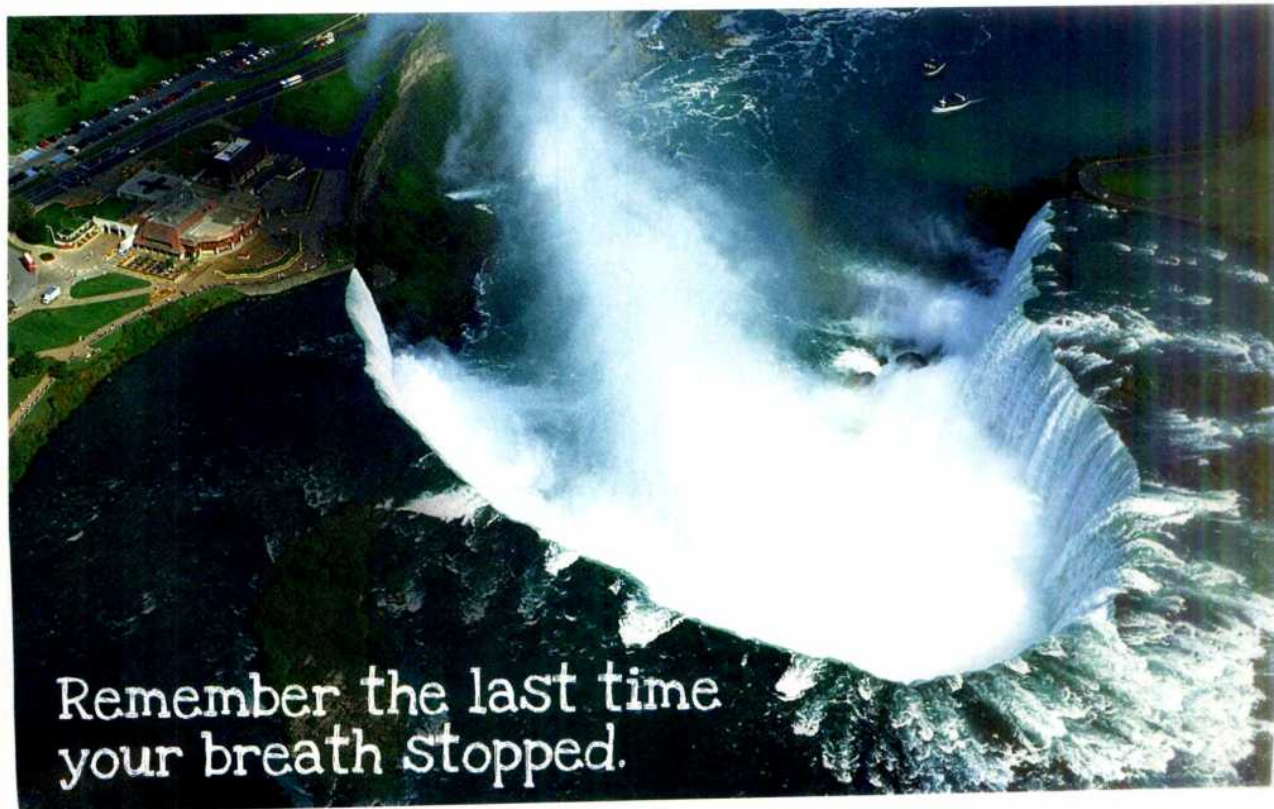
INFRASTRUCTURE

- ✦ CESC Properties*

100,000
shareholders
16,000
employees



*Unlisted companies



Remember the last time
your breath stopped.

Discover Candid Canada with MakeMyTrip.

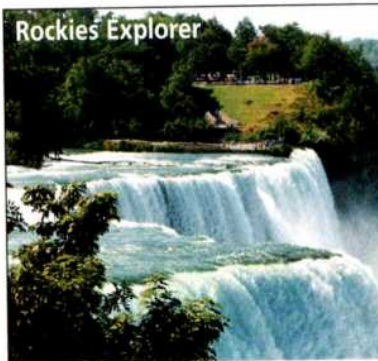
Canada Calling



10 Days starting @ ₹1,33,599*

INCLUSIONS: Visit Toronto, Niagara, Kingston, Ottawa including airfare, taxes and breakfast.

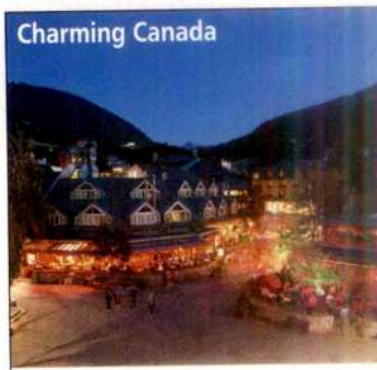
Rockies Explorer



8 Days starting @ ₹1,39,699*

INCLUSIONS: Visit Toronto, Lake Louise, Jasper, Banff including airfare, taxes and breakfast.

Charming Canada



9 Days starting @ ₹1,49,099*

INCLUSIONS: Visit Toronto, Victoria, Vancouver, Whistler including airfare, taxes and breakfast.

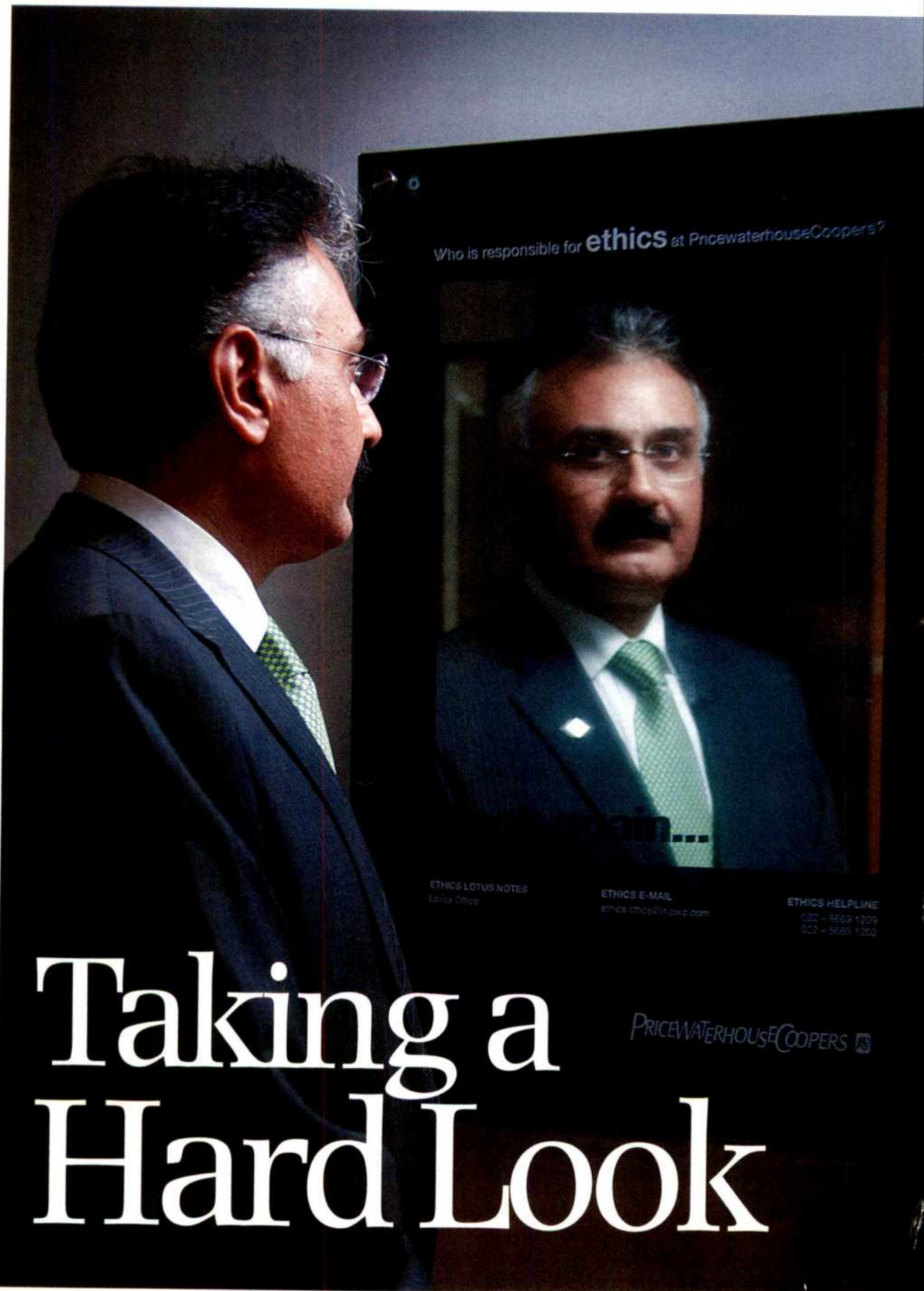


Call us at:

Toll Free No.: 1800-102-8900

For inquiries & bookings,

visit our nearest MakeMyTrip Travel Shop.



PHOTOGRAPHS BY NISHIKANT GAMRE/www.indiatodayimages.com

Taking a Hard Look

Will Chairman Deepak Kapoor be able to protect scam-tainted PwC India's fiercely independent legacy? By SUMAN LAYAK

During the 2008 audit of Satyam Computer Services, the company management provided PricewaterhouseCoopers, or PwC, with a response from the Mumbai branch of a bank saying that Satyam held \$176 million in fixed deposits, or FDs. A response from the Hyderabad branch sought by the auditor said Satyam had no FDs with the bank. The conflicting reports were not investigated, says the US watchdog Public Companies Accounting Oversight Board, or PCAOB.

Satyam's management often used a "super user" function in the company's billing software to create fake invoices, which amounted to \$1 billion during the entire period of the fraud – an accounts receivable fraud that PwC as auditors could not detect, points out US markets regulator Securities and Exchange Commission, or SEC.

Picking dirt – like the two instances above – out of PwC's reputation in India is like flogging a dead horse. The firm is, however, trying to breathe life back into its image, despite all the baggage holding it down. With a new Chairman, a new CEO and a fresh logo, it is hoping for a break from the recent past. Yet, there are too many fires to douse for the Indian arm of PwC, one among the big four global audit and accounting majors.

As the order of the PCAOB shows, PwC and the network of its partnership firms in India need to set their houses in order. Profits are sagging and senior partners have left the firm. An assertive global network has sent its man from the United States to head the Indian operations. The firm with a 138-year history in India – 160 years globally – has its most challenging year or two ahead.

A lot of it is also about Deepak Kapoor, 52, in the race to head the firm since 2007. Chairman since December last year, Kapoor, a 33-year veteran of the firm, faces the challenge of being more than the local

face of the global network of PwC.

April 5, 2011, was crucial in Kapoor's efforts to take PwC India in a different direction. SEC and PCAOB simultaneously announced their acceptance of the proposal for settlement with the PwC network, censuring two Indian member firms, Price Waterhouse Bangalore and Lovelock Lewes, and imposing a total penalty of \$7.5 million, or Rs 33.29 crore. PwC also settled a class action suit with Satyam shareholders in the US for another \$25.5 million. Says Kapoor: "We anticipated this and were ready with the money."

Call from HQs

The US settlements included commitments for extensive training in India to improve audit processes. (PwC has 10 partnership firms in India; five are registered with the PCAOB.) An independent monitor has been appointed by SEC who will certify audit process improvements. It is an Indian chartered accountant, earlier with a rival firm, says a PwC insider, while Kapoor says the decision is awaited.

According to PwC insiders, the Indian firm will be set back by \$100 million, or ₹450 crore, nearly half its annual income of around ₹1,000 crore, and the global network is bailing it out. The entire amount will be

AS PER THE SETTLEMENTS IN THE US, PwC WILL...

... Pay fines worth \$7.5 million to the US SEC and PCAOB

Pay an additional \$25.5 million to settle the class action suit

Not accept audit for SEC listed entities for six months

Arrange for training of personnel in India, which may cost \$50-70 million

Appoint an independent monitor to look into all of the above

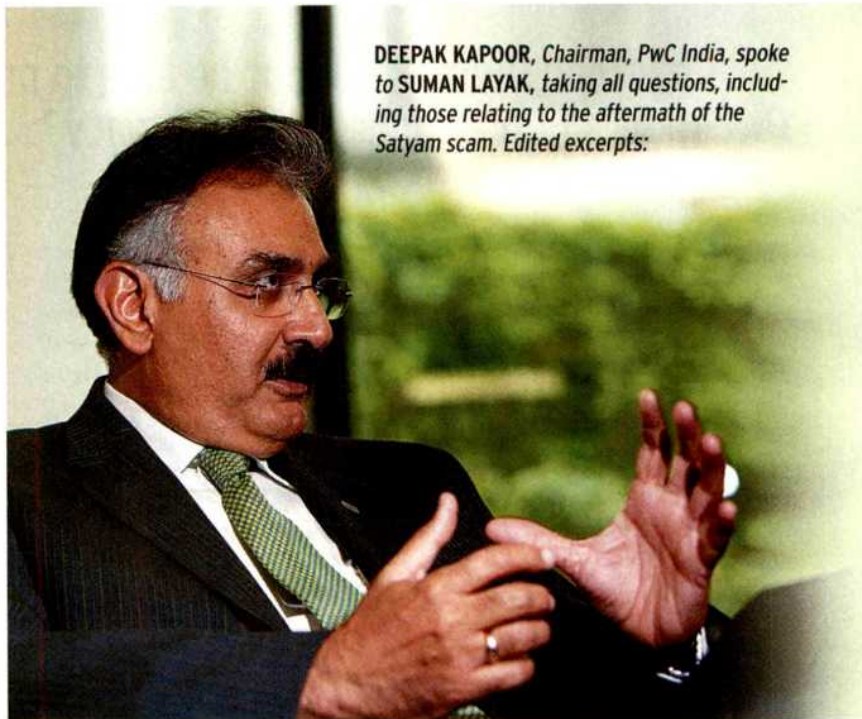
needed over a few years and will cover spending earmarked for training, payment to the independent monitor, peer reviews and other heads. Kapoor does not deny that the amount could touch \$100 million. The global network, in turn, has extracted its pound of flesh.

Not only has it got its favourite boy, Kapoor, as Chairman, it also has its own man, Robert Morris – till recently Deputy Leader of PwC's US Taxation Practice – actually running the India show as Managing Director and CEO. Morris landed in India in March this year, three months after Kapoor took over. Both Kapoor and Morris are employed by PwC Pvt Ltd, a company that manages the advisory and taxation businesses, while the audit businesses are with 10 other partnership firms affiliated to PwC network.

An expat CEO hardly raises eyebrows nowadays. But for the small matter of India not allowing foreigners to audit accounts in India, just as Indian chartered accountants are not allowed to practice in the US or UK. Morris would never be able to ply his trade as an auditor in India – and yet the audit function of PwC India, among others, now reports to him. In spite of requests, PwC did not arrange a meeting with Morris.

This leg of Kapoor's journey started when he beat Regional Managing Partner Jairaj Purandare to the chairmanship of PwC India. Kapoor replaced Gautam Banerjee, who had come from PwC Singapore to manage the Indian arm after the Satyam scam came to light. Banerjee is now back as Executive Chairman of PwC Singapore.

Today all operations and lines of services in PwC report to Morris. Kapoor does not deny it. "I asked the network to send someone with expertise in the US to help me," he says. "As Morris is the CEO, on secondment from the US, all the operating functions report to him while I look at the outward client-facing functions." Morris is accompanied by another



DEEPAK KAPOOR, Chairman, PwC India, spoke to **SUMAN LAYAK**, taking all questions, including those relating to the aftermath of the Satyam scam. Edited excerpts:

37 expats on secondment to India.

Kapoor points out that around 130 Indians from PwC India are also working in different parts of the network across the world (see

Interview). However, Purandare quit in June this year.

Purandare told *BT* he was serving his notice period in PwC, but did not want to speak further. After the Satyam crisis broke in 2009, Purandare had often been the public face of PwC India. Since then and after N. Ramesh Rajan, the then Chairman stepped down in 2009, around 60 partners have left the firm. Sources say Rajan, who has continued in the firm even after stepping down as Chairman, may exit soon with a hefty payout or move to PwC Europe. Over the last 19 months or so, Rajan has been paid his emoluments, but has not attended office under an arrangement, the details of which are not known.

Rajan, who has strong political connections – he is the son of former Supreme Court judge S. Natarajan and related to Environment Minister Jayanthi Natarajan – was one person PwC could not afford to cut loose while the Satyam sword hung over its head. He had defeated Kapoor in open elections in May 2007. Now, with the major settlements behind it,

HOW PwC HAS CHANGED ON THE GROUND

Having worked with PwC for 33 years, Deepak Kapoor has taken over as Chairman

Old partners are offered a VRS-type scheme to enable early retirement

US PwC partner Robert Morris has been seconded to India to act as CEO/Managing Partner

All lines of service now report to Morris

A 37-member foreign team is in India to impart training and monitor Indian operations

On the settlements with US regulators: It is good that we have them behind us. Sure we ended up paying some fines, but these were without prejudice, without admitting or denying the statements the regulators were making. One good thing that has come out of this is that the investigators did not find any evidence of any complicity of any employee of PwC India involved in the audits. Disciplinary proceedings are now on by the Indian regulator, ICAI, against individuals, the two partners and some other staff members.

On independent monitoring and training: PCAOB (one of the US regulators) appreciates the voluntary actions taken by PwC India. The SEC (the other regulator) is in the process of appointing a monitor. Whether it is training, the appointment of an independent monitor, enhancing the quality of audit, enforcing risk management procedures – all this is happening and is actually a very positive development.

On the fears of a takeover of PwC India by foreigners: Within the PwC network there is a lot of emphasis on sharing expertise and experience. We



Full transcript of the interview at www.businessToday.in/pwc

today have 37 people in the expat category who are here. At the same time there are around 130 people from India who have gone to various branches of the network. Very little of this has to do with Satyam or post-Satyam.

On the Satyam aftermath: Satyam happened and we as the auditors could not contribute to catching that fraud. We accept that in all humility. But then we have taken a whole lot of actions. We overhauled the management, the leadership; for assurance a new leader was appointed; a risk and management leader came down from the UK. We went back to basics. We had a whole lot of audit and technical training. Before accepting a client we are far more careful.

On Robert Morris: Bob Morris is the Managing Partner of PwC India. I held that post for four years before taking over as Chairman. Bob is helping me out. He is the Number Two from a hierarchy point of view. He concentrates on operations. Let me retrace that we have a legacy of 130 years-plus and like always, the Indian operations are run by Indians. They are owned, operated and managed by Indians.

the current management may feel emboldened enough to let him go. PwC faces one more class action suit in the US, and action by the Institute of Chartered Accountants of India, and SEBI. In the last two years competition has poached 35 partners from PwC (see *Power Struggle at PwC*, BT, February 21, 2010).

Partner's Earnings

A partner in an audit partnership firm takes a hefty salary and also brings in business. In Indian audit firms, partners usually share profits – which are about a third of the income. Once an employee becomes a partner, he buys into the capital of the firm and enjoys a part of the profit. Usually a newly elevated partner makes ₹1 crore a year in profits; a partner in his fifties gets around ₹5-6 crore. The partners in the middle are the most productive at bringing in business. The older partners do not contribute as much in terms of income, but earn higher packets.

In the last two years, insiders say PwC's profits have fallen by 30 per cent and so the partners' earnings

have dropped. "You can move to a competitor, earn more and not have the Satyam baggage," says a PwC insider. Kapoor denies these numbers, saying that while earnings may not have grown as much as they could have, they have not dipped dramatically either.

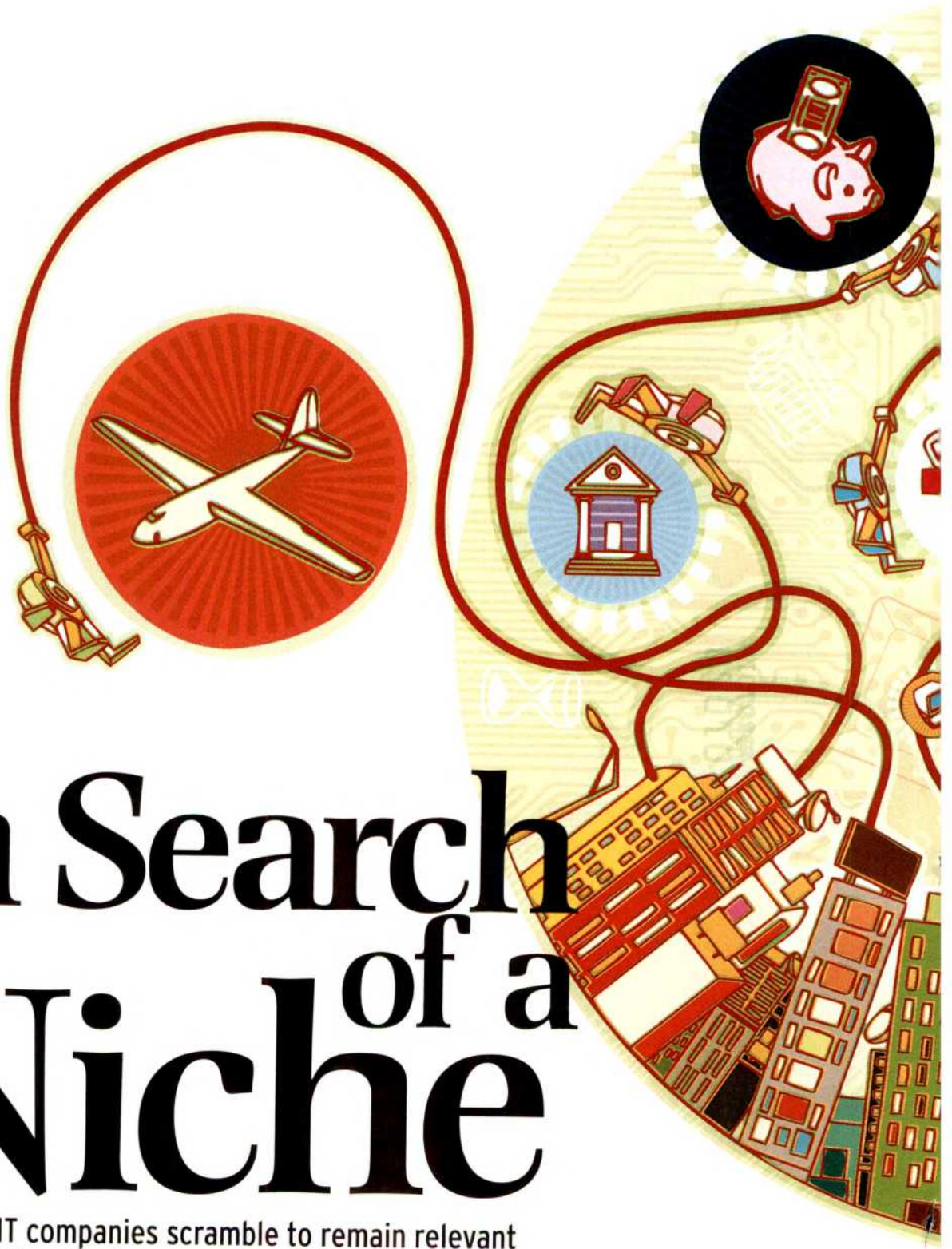
PwC is trying to hold on to the mid-level partners. To protect their earnings, it is trying to coax some of the older partners to retire early. Partners above 55 can now opt for voluntary retirement and leave with a year's salary. Some seniors like Sujit Deb, Sanjay Hegde and Kausik Datta have already left. Others like Thomas Matthew and Vasant Gujrati are expected to retire later this year.

There are murmurs asking if Kapoor's elevation as Chairman would have been possible without the support of the global partnership of PwC-linked firms. Two firms Price Waterhouse and Coopers & Lybrand merged globally to form PwC 11 years ago. Kapoor brushes aside suggestions of Price Waterhouse old timers trying to take over the firm. "I say all this is rubbish. I lost to

Ramesh in a fair election in 2007, and was elected Chairman in an equally fair but more robust process in 2010," he says. (Rajan was originally from Lovelock Lewes, one of the firms that were linked to Coopers & Lybrand earlier.)

Kapoor has another two and a half years to go in which he has to set right the audit and assurance processes. He admits the audit business will grow the slowest in India. India is the largest growth business for all the Big Four and PwC can ill afford to ignore India. PwC, once the largest firm in India, is in danger of falling behind the other Big Three – Ernst & Young, KPMG and Deloitte.

Kapoor's approach is a departure from the way PwC has functioned in India so far. As a certified fraud examiner, Kapoor might be the right person to head PwC after what happened with Satyam. But, by the end of 2013, he will have to show results or he is likely face a stiff challenge at the next Chairman elections. The name of N.V. Sivakumar, Chairman of PwC's partner oversight committee, is doing the rounds as challenger. ♦



In Search of a Niche

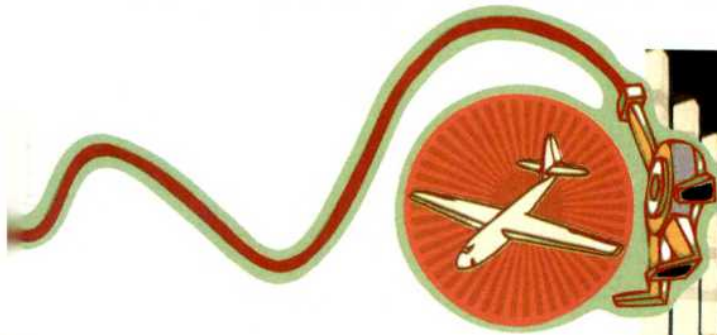
Mid-sized IT companies scramble to remain relevant as cost arbitraging falters. By SUNNY SEN



Arvind Thakur, CEO of NIIT Technologies, a mid-sized information technology, or IT, company, was in a dilemma. It was late 2008, the global economy was hurting, and one of his clients, a large international airline, wanted to renegotiate pricing. In the four years since it was spun off from NIIT, the leader in IT education, NIIT Technologies had never experienced a problem like this. Its advantage over bigger IT companies had always been low prices. But margins are margins, and Thakur couldn't cut rates any further. His solution? "Rather than reducing prices, we offered our clients more services for the same rate," he says.

How did Thakur manage this? On-site service is expensive, so he cut costs by shifting much of the work to India. He could do this because NIIT Technologies has a deep focus on the travel industry, which accounts for 32 per cent of its \$238 million revenues for 2010/11. Unlike mid-sized IT companies that still behave like full-service firms, those that specialise are more profitable than their peers (see *The Might of Scale*). In a few years, it is the nature of a company's business that will play a bigger role in its growth, rather than overall industry performance, say experts. Vertical and geographic factors will be key. "In the long run, mid-sized IT companies will have to specialise, at least for the next phase of growth," says Sid Pai, Partner and Managing Director, TPI India, an outsourcing advisory firm. "They can't be doing everything for everyone."

In 2006/07, mid-sized IT companies accounted for as much as 30 per cent of revenues in Indian IT, and the top five companies accounted for about 30-35



per cent. The remainder was from IT multinationals, or MNCs, and the captive units of other foreign companies. Since then, the equation has changed, and the share of large Indian companies and MNCs has grown. The share of the top five is unchanged, but that of mid-sized companies dropped to 20-25 per cent in 2009/10.

Earlier, companies flaunted headcount and charged for services on an hourly basis. Margins were a healthy 25-30 per cent. For mid-sized companies, this model started breaking down in the recession that followed the financial crisis of 2008. Service providers' margins faced increasing pressure, and their customers began to consolidate the number of vendors.

With clients looking for a single company that could provide a basket of services, which were earlier sourced from many vendors, mid-sized IT companies have had to change their model quickly to remain competitive. Thakur explains: "The past decade was about cost arbitrage, but this decade will be more about driving business value."

Now that the days of labour arbitrage are over for mid-sized IT companies, many are experimenting with ways to stay relevant in the market. That includes NIIT Technologies, which reported revenues of \$238 million in 2010/11. Some, such as iGate, are acquiring companies to grow bigger. Others, such as Sonata and Polaris, are

RACHIT GOSWAMI



"The past decade was about cost arbitrage, but today it's more about driving business value"

Arvind Thakur,
CEO, NIIT Technologies

focusing on fewer industry verticals and trying to carve out a niche.

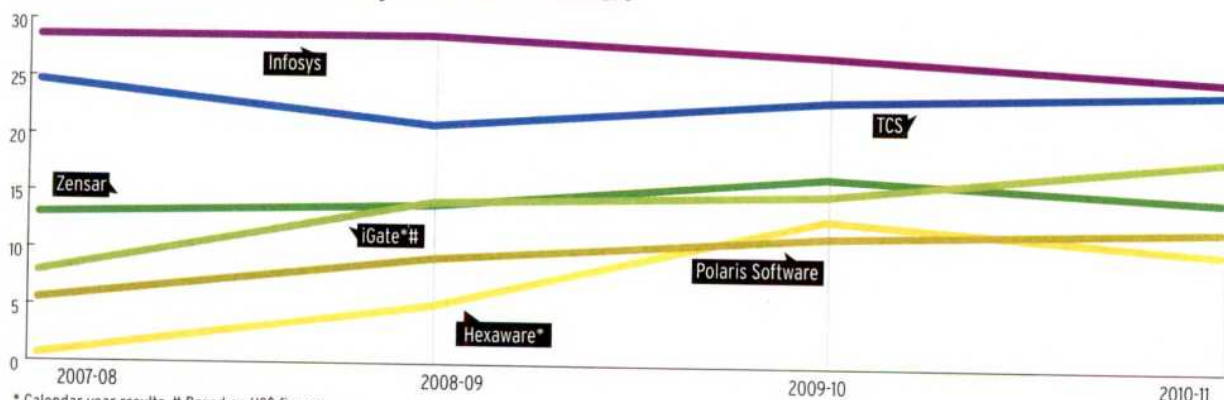
Acquiring to Grow

The choice today is between rapid growth and stagnation. Some in the industry, such as Phaneesh Murthy, who quit Infosys in July 2002 and joined California-based iGate, recognised this early. In January 2011, by when iGate had become a mid-sized company with revenues of \$300 million, Murthy led a buyout of the much bigger Patni Computers for \$1.2 billion. This strengthened iGate's portfolio and gave it a presence in insurance and health-care, Patni's specialities. "We're now multi-vertical and have critical mass," says Murthy. The deal helped iGate revenues cross the billion-dollar mark.

Patni's peers, Hexaware Technologies and Mastek,

THE MIGHT OF SCALE

Profitability favours those with larger revenues in software



* Calendar year results, # Based on US\$ figures

Note: Profitability has been calculated as net profits by revenues

Companies such as NIIT Technologies and Sonata Software, which specialise in travel, show net profitability of between 16.36 and 24.22 per cent.

Source: Companies



RANKED No.1 IN INDIA IN GLOBAL EXPOSURE

100% of students who undergo IIPM's flagship Programme in Planning and Entrepreneurship go for a Global Orientation Programme to USA/EUROPE etc. They further spend a week in one of the Top B-Schools of the world like DARDEN, NYU STERN etc.

leading to **CERTIFICATION IN GLOBAL MANAGEMENT** from **WORLD'S TOP RANKED B-SCHOOLS**

IIPM GOTA* programmes are held in the following institutions abroad, leading to Certification in Global Management from them

Participating B-School:



Affiliate B-School:



International Residency



Participating School for GOTA:



Cornell University
ILR School

Participating B-Schools in India

Strategic Marketing Programme



Wealth Management Programme:

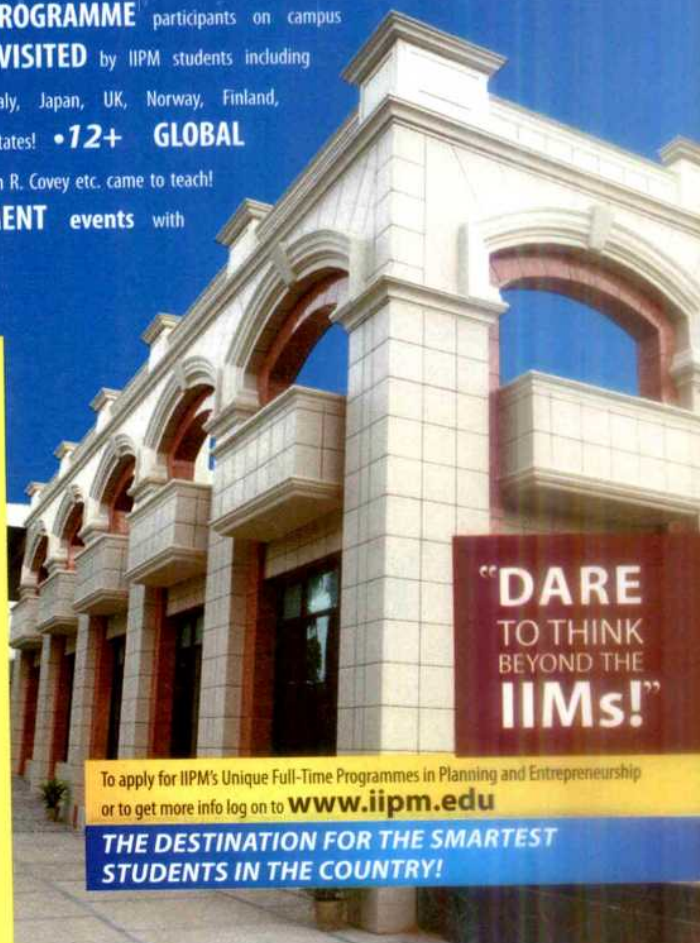


• **20000+ STUDENTS SENT ABROAD FOR GLOBAL EXPOSURE** • **20 TOP MOST B-SCHOOL/ UNIVERSITY PROFESSORS HAVE COME TO TEACH!!** • **1800+** Students, as part of IIPM programme, did **GLOBAL CERTIFICATION PROGRAMMES** from Darden School of Business, Haas School of Business - UC Berkeley, Judge Business School- Cambridge, Mc Combs School Of Business- UT Austin, ILR- Cornell University and NTU Singapore. • **350+** Students did **CERTIFICATION PROGRAMMES** in India with HAAS School of Business and NUS !! • **250+ INTERNATIONAL PLACEMENTS** IN LAST 3 YEARS & Winner of Dewang Mehta Best B-School Award 2008 & 2009 for HIGHEST INTERNATIONAL PLACEMENTS IN INDIA for '08(165) & '09(55)!! • **200+ EDPs WITH INTERNATIONAL PROFESSORS** organised for INDIA INC. jointly with IIPM faculty! • **150+ ORGANISATIONS** visited globally! • **100+ INTERNATIONAL STUDENT EXCHANGE PROGRAMME** participants on campus from 10 different Universities! • **15+ COUNTRIES VISITED** by IIPM students including Australia, Germany, Austria, Belgium, France, Turkey, Italy, Japan, UK, Norway, Finland, Spain, South Africa, Sweden, Switzerland and United States! • **12+ GLOBAL MANAGEMENT GURUS** like Philip Kotler, Stephen R. Covey etc. came to teach! • **6+ GLOBAL MANAGEMENT events** with International student participation!!



Constantly Ranked at the Top

- IIPM has been Ranked the **No.1 B-School in India**, ahead of all the IIMs in 'Global Exposure' as well as 'Intellectual Impact' by Zee Business Best B-Schools Survey 2011 and ranked the **5th Best B-School 'Overall'** as well as **5th Best in 'Placements'**.
- IIPM has been Ranked **No.1 in International Exposure** (ahead of all the IIMs) and the **9th Best B-School** in India by DNA Best B-Schools Survey 2010
- IIPM has been ranked the **No.1 Private B-School of North India** by the Hindustan Times Best-B-Schools of India Survey 2010. IIPM was also ranked the **8th Best B-School** in the country that students aspire for and the **9th Best Private B-School** in India in the same survey.
- IIPM has been ranked the **No.1 B-School in Delhi NCR** by Mail Today Best B-Schools Survey 2010. The same survey also ranked IIPM **No.1 in 25 Top of the Mind Institutes**, **No.1 in International Exposure**, **No.2 in Placements and Potential to Network** and **No.3 in Faculty**.



**"DARE
TO THINK
BEYOND THE
IIMs!"**

To apply for IIPM's Unique Full-Time Programmes in Planning and Entrepreneurship or to get more info log on to **www.iipm.edu**

**THE DESTINATION FOR THE SMARTEST
STUDENTS IN THE COUNTRY!**

IIPM OPEN ENROLLMENT EDPs 2010-11

25 Leading Faculty Members from the World's Top B-Schools are coming to teach at IIPM this year and taking 100 EDPs for India Inc.!

IIPM is visited in India by Professors from Ivy League Universities like

Harvard, Columbia & YALE

Some of the globally renowned professors who have taken sessions with IIPM students include:

Stephen R. Covey, Zig Ziglar, Philip Kotler, Joel Stern, Jack Canfield, Jim Rogers, Clayton M. Christensen, John Philip Jones, Gary Hamel, Brian Tracy & Ken Blanchard!!



DARE TO THINK BEYOND
Across Industries, Across Geographies

IIPM's World-Class Training Programmes 2010-11

The following is a partial list of professors exclusively visiting IIPM branches to take classes this year. They will also conduct EDPs for India Inc. as per the following calendar.

Chicago Booth School of Business Prof. Pietro Veronesi September '10 Financial Risk Management and the 2008 Financial Crisis Delhi, Chennai, Hyderabad, Bangalore Stanford GSB Francis Flynn September '10 High Potential Leadership Delhi, Mumbai, Hyderabad Duke University, Fuqua School of Business Prof. Gurhan Kok October '10 Strategic Supply Chain Management Delhi, Chandigarh, Dehradun, Jaipur McCombs School of Business Prof. Gaylen Paulsen October '10 Negotiation Delhi, Bangalore, Pune, Mumbai UMICH, Dearborn Prof. Aaron Ahuvia November '10 Escaping the Customer trap Delhi, Cochin, Bangalore, Hyderabad Wharton Business School Johannes Penning November '10 Innovation Kolkata, Indore, Bhopal, Cochin Haas School of Business Frank Schultz December '10 Strategic Thinking: Devising Strategies for Competitive Advantage Bangalore, Mumbai, Ahmedabad, Delhi Kellogg School of Management Lakshman Krishnamurthi December '10 Marketing Kolkata, Bangalore, Cochin, Chennai INSEAD Lauren Mathys January '11	Blue Ocean Strategy Delhi, Dehradun, Bhubaneshwar, Hyderabad HBS Rajiv Lal January '11 Key to Customer Centric Organizations Delhi, Bangalore, Chennai IMD Pucik Vladimir February '11 HR and Strategy Delhi, Bangalore, Indore, Lucknow Columbia Business School Prof. William Duggan February '11 Strategic Intuition Kolkata, Bhubaneshwar, Ahmedabad, Mumbai IMD Jack Wood March '11 Leadership and OB Delhi, Chandigarh, Lucknow, Chennai Kenan Flagler Business School Hugh O'Neill March '11 Developing Winning Strategies Hyderabad, Mumbai, Pune, Ahmedabad, Bhopal Columbia Business School Dennis Chookaszian April '11 Global Trends in International Governance Delhi, Chandigarh, Bangalore, Pune, Mumbai Columbia Business School Kamel Jedidi April '11 Customer Centric New Product Development Kolkata, Indore, Bhopal, Cochin NYU, Stern Michael Liersch May '11 Negotiation and Leadership Delhi, Ahmedabad, Cochin, Bangalore	MIT Sloan School of Management Don Rosenfield May '11 Negotiation and Leadership Delhi, Dehradun, Jaipur, Chandigarh Duke University, Fuqua school of Business Sharon Belenon June '11 Analysis of the Sources of Competitive Success Delhi, Jaipur, Indore, Bangalore Kellogg School of Management Masud Arjmand June '11 Talent and Corporate Performance Delhi, Kolkata, Bhopal, Bhubaneshwar, Lucknow Kellogg School of Management, Northwestern University Evan Apfelbaum July '11 Leadership & Strategic Social Interaction in High-Impact Teams Mumbai, Pune, Ahmedabad, Delhi, Bangalore Darden School of Business, University of Virginia Prof. Gal Raz July '11 Supply Chain Management Mumbai, Chennai, Bangalore, Delhi University of Michigan, Dearborn Prof. Kamalash Kumar July '11 Building and Sustaining Success: Understanding the Role of Resources, Capabilities & Competencies Chandigarh, Dehradun, Bhubaneshwar, Hyderabad Darden School of Business, University of Virginia Prof. Marc Modica August '11 Negotiating Good Agreements: The Art of Creating and Claiming Value Cochin, Bangalore, Kolkata, Lucknow, Delhi Harvard, Kenndy Prof. Barbara Kellarman August '11 Leadership & Followership-Perspectives Provided by a Contrarian Delhi, Bangalore, Mumbai
--	--	---

All the above mentioned programmes are jointly taken with a member of IIPM faculty & conducted by Planman HR

Leaders in Industry Interface and Executive Programmes

Investment per participant for the above mentioned programmes : ₹ 25,000/- . Customised Programmes also available!!

Get in touch today with Vivek at vivek.sharma@iipm.edu or training@planmanconsulting.com; www.iipm.edu; www.planmanconsulting.com

Brought to you by



Media partners



have not yet moved beyond the low-cost delivery model. They are no longer the talk of the town. Meanwhile, the top five IT companies have streamlined operations and are able to dominate the cost arbitrage model. "Larger players have increased efficiency, so the competitive landscape has changed," says Amneet Singh, Vice-President, Everest Research, a global outsourcing research firm.

Building Expertise

Mid-sized IT companies that lack the financial muscle to grow through acquisitions in the crowded Indian IT industry have the option of breaking away from traditional IT services and becoming specialised. This helps with prioritising management bandwidth. NIIT Technologies's Thakur points out how travel solutions account for just three to four per cent of the revenues of bigger IT companies. "What management attention will a three per cent vertical get," he asks.

vival of mid-sized companies, as well. Pune-based Zensar Technologies still offers the plain vanilla services that larger IT firms do. Vice Chairman and CEO Ganesh Natarajan readily admits that giants such as Tata Consultancy Services can easily beat him on prices. But he has plans for Zensar to be more customer-focused. In November 2010, Zensar bought Akibia, an IT firm in Boston, for \$66 million to get a strong presence in the US and build customer stickiness. "At the service level, you cannot be different from big companies," says Natarajan. "The company has to differentiate itself through customer satisfaction." To ensure this, he travels to the US at least four times a year to meet customers.

Zensar, set up in 2001, is among the youngest mid-sized IT companies. It reported revenues of \$300 million in 2011. But Natarajan knows he must sharpen his focus. "The third phase of growth will depend on a focused strategy in micro-verticals," he says. For Zensar, a typical deal



"The merger with Patni means that we are now multi-vertical and have more critical mass"

Phaneesh Murthy, CEO, iGate

At Sonata Software, too, the focus is on specialisation. In 2010, Managing Director B. Ramaswamy exited a joint venture with Tui Infotech that offered plain vanilla IT services, because it did little for Sonata's bottom line. "Competition has driven margins down, and customers want value," says Ramaswamy. "It's a paradox." Now, Sonata is focused on three verticals: travel and transport; engineering products; and infrastructure management, business intelligence and enterprise resource planning. Sonata also decided it would not depend solely on North America, as Indian IT companies typically do. Today, nearly half of Sonata's revenues of \$55 million come from Europe, and it has a cash reserve of some \$37 million. Ramaswamy says Sonata will use this cash to create two new verticals, on its own and through acquisitions.

Personal attention to clients will be crucial to the sur-

with a client would be some \$7 million. Deals by larger IT firms are in the range of \$75 million to \$100 million.

Chennai's Polaris Software realised in 2004 that differentiating its IT services was not easy. It invested \$100 million to build a portfolio of IT products. Today, half its revenues come from products. It caters to the banking and financial services industries, and competes with the likes of Bancs from TCS and Finacle from Infosys. "We have 10 lines in banking," says Arun Jain, CEO of Polaris. "We're a one-stop shop for banking." Margins are healthy – products fetch 17 per cent, and services, 14 per cent.

Polaris, Zensar, NIIT Technologies, Sonata, and iGate are the bigger and better-known of the mid-sized IT companies. There are scores of others who are yet to make their mark on the industry. As Singh of Everest Research says: "Companies that differentiate will continue to be successful, either on a standalone basis or with a partner." If they fail to do so, life could get tough. ♦

Thought for Food

That is what MNCs have on their minds as they devour the opportunities in India's food contract and support services sector.

By E. KUMAR SHARMA

On a balmy July evening 13 years ago, Mrityunjay Sabrad was waiting for his wife to come back from work. She had the key to their house in Mahatma Gandhi Society, Kothrud, Pune. Still dressed in his work clothes and with limited options, Sabrad, a software engineer with Infosys, walked into an ice cream parlour next door where it would be easier to wait. He began to chat with the friendly parlour owner, Ram Mankari. Sabrad talked about the lack of lunch options at the new office Infosys had set up in the city. Wouldn't it be great if someone supplied the employees there with lunch?

Mankari, who also managed a restaurant nearby, decided to be that someone. Sabrad was happy to help him get in touch with the right people. "By August that year, I began supplying 30-odd employees of Infosys with lunch and snacks," says

Mankari, who was just 26 in 1998. As the office grew quickly from 100 staffers to 300, so did Mankari's business. Soon his Tirumala Hospitality Services was raking in ₹90,000 a month, which in the course of the next 12 years rose to ₹3 crore. It had 1,200 employees and

EXPANDING MARKET

In India, food contract and support services is a ₹9,000-crore market

GROWTH OPPORTUNITY

The Indian market is growing at 15 to 18 per cent annually



27 clients, including General Motors, Volkswagen, and LG Electronics.

Tirumala, however, is no longer with Mankari: UK-based Compass Group, one of the world's biggest in the contract food and support services business, bought it for an undis-

closed amount in August 2010. But its journey, right from that fateful July 1998 evening, can be seen as a parable for the evolution of the contract food and support services business in the country – right down to the onslaught of multinationals.

Happy to Serve: Vivek Trikha, Executive Chef of Sodexo



SHEKHAR GHOSH/www.indiatodayimages.com

CHANGING FACE

Half a dozen domestic players have been acquired by Sodexo and Compass Group

KEY ACQUISITION

Radhakrishna Hospitality Services by Sodexo in 2009

FUTURE GROWTH DRIVERS

Economic growth leading to rising aspirations

As Indian companies have grown, within and outside the country, so have their employees' aspirations. They want better food at work without having to cook and pack every morning. The resulting demand is music to the ears of the

multinational companies in this business, constrained as they are by the saturating markets in the US and Europe. This sector in India is already estimated to have touched ₹9,000 crore a year, of which nearly 80 per cent is in the unorganised

sector. It is not a surprise, then, that Tirumala is just one of five entities Compass has acquired in India.

"The market in India is growing at 15 to 18 per cent compound annual growth rate compared to single-digit growth in some of the ma-



SHEKHAR GHOSH/www.indiatodayimages.com

On a platter: Employees of Medanta-The Medicity refuel themselves at their Gurgaon office

ture markets," says Sunil Nayak, CEO of Sodexo India On-site Service Solutions.

Nayak came to be a part of Sodexo when it acquired Radhakrishna Hospitality Services, of which he was the CEO, two years ago. Radhakrishna, founded in 1966 by Radhakrishna Shetty, was one of the few companies in this business with a pan-India presence, covering 22 states with 800 sites and generating an annual turnover of ₹450 crore.

are also averse to going home in the evening and hitting the kitchen. "The idea is to provide solutions that can improve the quality of life," says Brades. And Sodexo's financials, too. The company's revenues now stand at ₹744 crore as it feeds some 700 clients from 1,100 locations. The list includes employees at Volkswagen, Nokia, Bajaj Auto, Tata Motors, Mercedes Benz, Hindustan Unilever, Microsoft, Dell, Transocean and British Gas. If this is not diverse

is a high-growth market. Many of the company's Fortune 500 clients are in India, more are on their way.

But it is not that MNCs are having a free run in this field. Domestic chains will not let them. Mumbai-based hotel management company Sarovar Hotels and Resorts feeds future managers at the Indian Institute of Management, Ahmedabad, and fed those at the Indian School of Business (ISB), Hyderabad, for a decade till its contract ended on May 31 this

year. Sarovar, also manages 56 hotels (of which it owns two) across the country. "Right now, this (catering) is not the core operation for us, but it is a high-growth area," says Ajay K. Bakaya, Executive Director with

Sarovar. ISB now gets catered by Hyderabad-based Green Park Hotels. However, the bulk of the business is still with the neighbourhood auntyji. But you never know; one of them could already be cooking up a multi-crore business plan like Pune's Mankari. ♦

Largely unorganised, the space has been lately seeing consolidation in India with MNCs upbeat about its market potential



"Our focus will be on innovations," says Jeff Brades, Vice President, Marketing and Communications, Sodexo India On-Site. The company has discovered what many already know anecdotally: not only do young professionals dislike cooking and packing in the morning, they

enough, there is the Dhirubhai Ambani School in Mumbai.

As of now, one of every 11 Sodexo employees is in India; the company is headquartered in Issy-les-Moulineaux, France. That does not make India huge in the company's global scheme of things, but it



BY APPOINTMENT TO HER MAJESTY QUEEN ELIZABETH II
TEA & COFFEE MERCHANTS R. TWINING AND COMPANY LIMITED, LONDON

TWININGS®
OF LONDON



Discover *the* World's Finest Range of Teas

Over 300 years. Over 100 countries.
Over 18 of the finest blends to choose from.

**6 Premium Black and Flavoured Teas. 5 Green Teas.
9 Herbal and Fruit Infusions.**

For more information contact us at: consumer.speak@twinings.com
Available in select cities/outlets.





SANTOSH

HAMIED'S TOUGH OPTIONS

At 75, Cipla is in fine fettle but its chairman faces challenges that are very different from those of the past. By E. KUMAR SHARMA



Cipla is at an inflection point. What started as Chemical, Industrial and Pharmaceutical Laboratories in August 1935 is today a robust enterprise by any account. It pulls in net profits of nearly ₹1,000 crore, making it one among just 74 listed companies in India to do so in 2010/11. Its revenues top ₹6,300 crore. The 2,000 products it makes span more than five dozen therapeutic categories treating ailments from asthma to AIDS, and find customers in 180 countries.

But big challenges stare at India's biggest drugmaker by domestic sales.

Foremost among these are key amendments to India's Patents Act passed by Parliament in 2005, which put the lid on 'reverse engineering' practised by most pharmaceutical companies in India, including Cipla. That means the process of copying the formula of a global innovator drug and manufacturing it at a fraction of the global cost will stop.

Cipla has been a champion of generics. A decade ago, Yusuf Khwaja Hamied, its Chairman and Managing Director who is almost as old as the company, had jolted the global pharma industry with his offer to sell anti-AIDS drugs at less than four per cent of the price charged by international drugmakers. Against \$12,000 needed for a year's AIDS treatment in the West, Cipla's HIV drugs cost \$300 annually – less than a dollar a day. The drugmaker followed this up by going beyond reverse engineering to come up with products like the equally affordable Triomune – a cocktail of three drugs in one tablet – which remains the top-selling drug of its kind across Africa.

Cipla has protested the 2005 amendments, pointing out they will make key drugs prohibitively expensive. But the writ-

ing is on the wall: the amended Patents Act, whose impact will be felt from 2015, will put an end to the gravy train many Indian drugmakers have been riding.

To be sure, the change in law will affect Cipla less than its smaller peers, but it is padding up. There are new areas it has only lately entered: joint ventures in biotechnology and stem cell research, neurology, and biotech-based drugs, especially for the treatment of cancer. Hamied is particularly enthusiastic about combating cancer. "I'm not young any more, but this is a crusade I'm planning to take on," he told *BT* in an interview in August 2010.

A second concern, at least for analysts tracking Cipla, is the lack of clarity on its second line of leadership. A successor to its high-profile former managing director Amar Lulla, who died in April this year, has not yet been appointed. Hamied, along with Wholetime Director S. Radhakrishnan, is seen leading the show. Hamied is a non-resident Indian and spends at least six months a year outside the country. (He spoke to *Business Today* on the phone from Spain for this story.) Ask him who runs the company and he says: "It is a team effort." Radhakrishnan is equally cryptic. "The company has smoothly transitioned through major changes at the top," he says. "This is mainly due to our senior and middle level management which has risen to take up additional responsibilities."

There are whispers in the market, however, that Kamil Hamied, 31, who is Yusuf Hamied's nephew, may take up the top job after the chairman. However, Cipla executives refuse to utter a word on the subject. (Yusuf himself inherited Cipla from his father Khwaja Abdul Hamied, who died in 1972.) Kamil, a graduate of New York University, is

WIDE SPREAD

Cipla manufactures some 2,000 products across 65 therapeutic categories that are sold in over 180 countries. It has at least one partner in each country

LOW-COST MARKETING

Cipla has been known for product development, technology and manufacturing, but it seldom operates at the front end overseas. It prefers to work through local partners

THERAPEUTIC FOCUS

Cipla is present in all major pharmaceutical segments. Its current focus areas, however, are drugs to combat cardiac and nervous system-related ailments, and cancer

BUT...

No one has replaced Managing Director Amar Lulla who died in April. Market buzz is that Kamil Hamied, nephew of Chairman Y.K. Hamied, may be his successor

Market Darling In The Past, Flat Now

Cipla has declared bonus shares seven times since 1980, with the ratio ranging from 1:1 to 5:1. It split shares in 1994 and 2004. Both moves benefited investors



HIV/AIDS DRUGS

Introduced affordable drugs in this space. In 2001 launched a cocktail drug, Triomune, which is still the leader in its segment



ANTIBIOTICS

In 1967, introduced semi synthetic penicillin, Ampicillin, in India. Later brought out Norfloxacin and Ciprofloxacin



CARDIAC DRUGS

Produced the first drug in India to combat heart disease: the beta blocker Propranolol



RESPIRATORY DRUGS

First to launch inhalers in India with Asthalin, introduced in the 1970s

already part of the management.

A third curious feature of Cipla is the manner in which it has chosen to expand overseas. It has consciously refrained from setting up its own direct presence in markets abroad and prefers to sell its products through partnerships with local or established pharmaceutical companies. This practice may well have cost Cipla both brand value and profits. "The rule of thumb is that presence in the front end overseas yields 30 to 40 per cent more value for the company than partnerships of the Cipla kind," says a senior official in a rival pharma company. Hamied has no doubt that this is the right strategy. "If I have my own establishment abroad, you will see an increase in the top line but not in the bottom line," he says. "My marketing, establishment and infrastructure costs will eat up everything."

But some experts say that a direct presence abroad helps – especially for niche products – with partnering as an "also-have" strategy. Sarabjit Kour Nangra, Vice President, Research, Angel Broking, for instance, says: "What makes Cipla unique is that it has banked entirely on this partnership model. Now, other companies have also started doing the same, such as Aurobindo Pharma with international giant Pfizer, or Dr Reddy's with GlaxoSmithKline."

Cipla, which has about 40 factories today and spends liberally on research, meanwhile, has invested more than ₹3,000 crore in the last five years to scale

up capacity, setting up units at Indore, Patalganga and elsewhere.

Another concern that Cipla needs to address is the return it is giving investors. "Early investors benefited tremendously from the Cipla stock," says Rajendra Naniwadekar, an investment strategist and Director of Kellton Financial Services, Hyderabad. "But the same cannot be said about those who buy Cipla shares at the current market price." The company has given out bonus shares seven times since 1980 – going up to a 5:1 ratio on one occasion – even as it lowered the face value of its shares from ₹100 to ₹10 and then down to ₹2 in 2004.

Shares of Cipla have mostly been trading at around ₹320 for nearly a year, while the BSE Healthcare sectoral index has appreciated 13 per cent. Still, "a 15 to 20 per cent appreciation in Cipla's share price can be expected over the next year or so," says Naniwadekar. "But the rise may be limited unless it comes up with major product innovations."

Expectations around this as well as other concerns, especially over succession, may well be responsible for the occasional market rumour that Cipla may change hands. "Whenever there is talk of an acquisition in pharma, there are rumours of a possible stake sale in Cipla," says Nangra of Angel Broking.

But Hamied has always maintained that he is not selling. "I'm looking for partnerships," he says. "I do not mind a joint venture." ♦

From dark tan shoes to sun-tanned skin.

Watch corporate hotshots get pulled out of their comfort zone and take on challenges they've never tried before. Tune in to The Assignment, only on Bloomberg UTV.

NOKIA
&
Bloomberg | UTV
present

the assignment

SAT. 8:00 PM

NOKIA

Bloomberg | UTV
BLUNT. AND SHARP.

Official Website:

Print Partner:

B-School Partner:

Television
Partner:

Cafe Partner:

Retail Partner:

Cuisine Partner:

Online Partner:

Digital GOH
Partner:

Library Partner:

YOUR MONEY SITE
www.yourmoney.site

THE REAL TRUTH ABOUT
mint

XXX

confluence
2011

bindass
WHAT I AM

BARISTA
LAURELIA

victory xoxox
THE NEW YORK ELECTRONICS

PUNJAB GRILL

msn

ESPN

NEW YORK



INTERVIEW Y.K. Hamied, Chairman, Cipla

"All Depends on What I Can Handle"

*He may be an NRI who spends half the year abroad, but Cipla's Chairman **Yusuf Khwaja Hamied**, 74, tracks developments in India and in his company every minute, while also keeping himself abreast of global scientific developments and markets trends. Born in Lithuania and raised in Mumbai, Hamied, a Ph.D. in Chemistry from Christ College, Cambridge, who has donated liberally to his alma mater, spoke to BT from Spain on his vision for Cipla. Edited excerpts:*

You were the leader in the Indian pharma retail market till Abbott struck its deal with Piramal, which made them number one....

We are the leaders in the Indian retail market as a standalone and totally independent company. We have neither acquired nor merged.

You are a dominant player in India, which contributes 50 per cent to your ₹6,300-crore revenues. However, many say that if only you had a front end in foreign countries instead of a partner, you would extract much more value. Will you always continue with this partnership model?

I do not like to dilute effort by getting into too many areas. It depends on what you are looking for. What you are saying is correct and there is a good chance that we may take the route that you are suggesting, but growth is a process of evolution and it has to be based on your size because your coat has to fit you.

You have the size needed to wear a decent size coat overseas. So when will you have a direct presence in markets there?

Let me put it this way: I prefer to share my revenues and profits with my partners, because if I have my own establishment, you will just see an increase in the top line and not in the bottom line, because my marketing, establishment

and infrastructure costs will eat up everything. So I would prefer to work with a partner. Plus, remember, if a partner is strong in a particular area, he will sell more than I can.

What are the options before Cipla to spur growth?

We are looking at all options but ultimately all depends on what I can handle. Why should I dabble in things I can't handle? For instance, one option for Cipla could be to look at in-licensing of products. Given our field force and the way we are, we would like to market good products by other international companies here. We would love to market their products in India.

Much like the way you have partners in other countries, you could become their partner here in India?

That is right. That is what we are looking to do. Our antennae are up for that.

Where do you see Cipla five years from now?

What was our vision 10 years ago? At that point in time, our sales locally were 90 per cent and exports were 10 per cent. Now, it is 50:50. Maybe in another five years, it will be 80:20, that is, 80 per cent revenues from exports – because with exports you get better prices – and 20 per cent locally. So, the vision would be to do what is best for India, but our focus in turnover will be overseas.

Finally, besides you, Amar Lulla earlier, and now S. Radhakrishnan, who are the new leaders, and what is the thinking on leadership?

We have 20,000 people. Do individuals really matter? ... We are working as a team. But I must tell you that I will be answering some of these questions at our next AGM, on August 25. ♦



Full transcript of the interview at
www.businesstoday.in/hamied

DOES YOUR MIND ROCK?

prove it

move it

rock it



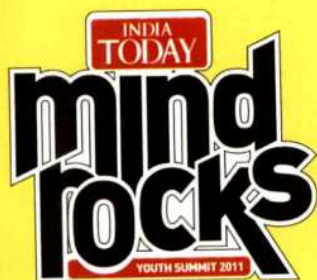
Your doodle, our logo.
A chance to redesign our logo
Show us how you see it.



Your music, our platform.
Showcase your talent.
Audition. Get votes. Get a show.



Your message, our medium.
Got a bright idea. Get it online.
Change the world.



17th September, 2011
Le Meridien, New Delhi

Register now to be a rockstar



Visit: www.indiatoday.in/youthsummit
Twitter: www.twitter.com/mymindrocks
Facebook: www.facebook.com/MindRocks
Call: Saurav Parmar at +91 11 23357087, 23325235
Mail us: youthsummit@intoday.com

PRESENTING SPONSOR



PARTNERS

HOSPITALITY



TV



MEDIA



RADIO



ONLINE



YOUTH PARTNER



WRITING
INSTRUMENT



YOUTH
OUTREACH



start

fasten your seatbelts!

08:30 AM

WELCOME ADDRESS

Rockstart



SPEAKER

Aroon Purie

Editor in Chief,
The India Today Group

09:45 AM

INAUGURAL SESSION

Dreamcatchers



SPEAKER

Kumar Mangalam Birla

Chairman, Aditya Birla Group

MODERATOR

Aroon Purie, Editor in Chief,
The India Today Group

break

10:45 to 11:00
Coffee, tea
& rock

11:00 AM

KEYNOTE SESSION

Master Of The Game



SPEAKER

Anil Kumble*

Former Captain,
Indian Cricket Team

MODERATOR

Sharda Ugra

Senior Editor, Cricinfo



17th September, 2011
Le Meridien, New Delhi

PLUG INTO THE

break

03:15 to 03:30
Coffee, tea
& rock

03:30 PM

SESSION: TELEVISION

Keeping It Real



SPEAKER

Zarina Mehta

Co-founder, UTV

MODERATOR

Akash Banerjee

Senior Special Correspondent, Headlines Today

break

04:00 to 04:15
Coffee, tea
& rock

04:15 PM

KEYNOTE SESSION: POLITICS

Winds Of Change



SPEAKER

Omar Abdullah*

Chief Minister
Jammu and Kashmir

MODERATOR

MJ Akbar

Editorial Director,
The India Today Group



01.45 PM
SESSION: CAREERS

The Road Less Travelled

SPEAKERS



Subodh Gupta
Multi-medium
artist



Kiran Rao
Writer-Director,
Dhobi Ghat



Kalikesh Deo
Biju Janata Dal
MP from Bolangir,
Orissa



Divya Narendra
Created the site
HarvardConnection
which predates
Facebook

MODERATOR

Rahul Kanwal
Executive Editor, Headlines Today

12.00 PM
LUNCH KEYNOTE SESSION

Hitting The Bull's Eye



SPEAKER

Chetan Bhagat
Author, Columnist &
Motivational Speaker

MODERATOR

Rahul Kanwal
Executive Editor,
Headlines Today

LECTRICITY OF IDEAS, MUSIC & ICONS

05.00 PM
SESSION: CINEMA

Larger Than Life



SPEAKER

Ranbir Kapoor
Actor & Youth Icon

MODERATOR

Koel Purie Rinchet
Actor & TV Anchor

05.45 PM
CLOSING REMARKS
AND VOTE OF THANKS

Rock The Summit



SPEAKER

Kalli Purie
Summit Director

REGISTER NOW

EARLY BIRD OFFER:
RS. 1500 PER DELEGATE

Visit: www.indiatoday.in/youthsummit Twitter: [www.twitter.com/mymindrocks](https://twitter.com/mymindrocks)
Facebook: www.facebook.com/MindRocks Call: Saurav Parmar at +91 11 23357087,
23325235 Mail us: youthsummit@intoday.com

PRESENTING SPONSOR



PARTNERS

HOSPITALITY

TV

MEDIA

RADIO

ONLINE

YOUTH PARTNER

WRITING
INSTRUMENT

YOUTH
OUTREACH

MERIDIEN





SECOND COMING

3D films are going through a renewed surge of popularity, but they began nearly a century ago

The first screening of a 3D film took place at Astor Theatre, New York, on June 10, 1915

The anaglyphic process involved in shooting a 3D movie was developed by E.S. Porter, W.E. Waddell

The first 3D feature film was Nat Deverich's 'The Power of Love' released in 1922

The first 3D film with stereophonic sound was Warner Brothers' 'House of Wax' in 1953



Hollywood has rediscovered the 3D format. India is following suit. But there are challenges ahead.

By ANAND J

The second coming of three-dimensional, or 3D, cinema has begun – in Bollywood. If the success of James Cameron's *Avatar* in 2009 opened the floodgates of 3D films in Hollywood, the unexpected triumph of Vikram Bhatt's 3D movie *Haunted* has sparked off tremendous interest in the genre in India as well.

Made on a modest budget of ₹13 crore, *Haunted*, which released in May this year, has already grossed around ₹43 crore at the box office.

And big production houses have taken notice. The buzz is that Aditya Chopra is likely to make his next *Dhoom* sequel, *Dhoom 3* – as action packed as the earlier offerings – in the 3D format. Insiders also claim that Shah Rukh Khan's forthcoming film *Ra.One* – keenly anticipated for its dazzling computer generated visual effects – will be released in two versions: the usual two-dimensional, or 2D, format, as well as in 3D. The film has been shot in the conventional format, but the actor is said to be in talks with studios to prepare 3D prints too. Bhatt himself is making another 3D film, *Dangerous Ishq*, billed as a 'supernatural thriller', financed by DAR Motion



STILL A BLOCKBUSTER

India's first 3D movie *Chotta Chetan* has earned 60 times its initial investment

It was originally a Malayalam film, 'My Dear Kuttichathan', released in 1984

It was later dubbed in several Indian languages, the Hindi version was called 'Chotta Chetan'

The world's first 3D Dolby movie was *Chotta Chetan*'s 1997 digital version



Casting a Spell

The 3D versions of several Hollywood movies earned far more in India than their 2D formats. 3D collections (as % of total) at cinemas:

KUNG FU PANDA 2



PVR	BIG	FUN
82	90	79

PIRATES OF THE CARIBBEAN: ON STRANGER TIDES



PVR	BIG	FUN
61	74	60

RIO



PVR	BIG	FUN
83	86	86

TRANSFORMERS: DARK OF THE MOON



PVR	BIG	FUN
68	85	76

CARS 2



PVR	BIG	FUN
NA	84	95



Pictures, part of Dubai-based DAR Capital.

Indian producers have also noticed how well some of the recent 3D releases from Hollywood have done in India. *Avatar*, the trailblazer, grossed ₹110 crore – a record for Western films, of which 45 per cent came from the 3D version. *Transformers: Dark Of The Moon* and the recently released *Harry Potter and the Deathly Hallows* have both been immensely successful. Viacom Motion Pictures India, which distributed *Transformers*...., says almost 60 per cent of its collections so far this year came from 3D versions. Whenever both conventional and 3D versions of the same film have been released, the latter has always done better. Industry insiders estimate that in the next few years Hollywood's share of movie collections in India will rise to 15 per cent from about 4.5 per cent in 2010 – thanks to its 3D fare. Around 35 3D Hollywood films are scheduled to be released in India this year.

Strangely, though the basic technique for making 3D films has been known for nearly a century, *Haunted* is only the second 3D film made in India. The first was the now-seminal Malayalam film *My Dear Kuttichathan* in 1984, which was later dubbed in Hindi – *Chotta Chetan* – and several other Indian languages. With the current renewed interest in 3D cinema, it is being released again in September. "Everybody finds there is money in 3D, especially after the success of *Avatar*," says Jijo Appachan, director of *My Dear Kuttichathan*. "So when a distributor suggested a rerun, I said okay." The movie, a raging hit, has already earned 60 times its initial investment; yet no other filmmaker before Bhatt cared to follow in Appachan's footsteps.

Why not? Filmmakers claim theatres in India did not

have the technology in place to screen 3D movies; theatre owners retort there were never enough 3D movies being made to warrant the investment to make their screens 3D enabled. But the Hollywood 3D bonanza of recent years has prompted a

change. Film technology company UFO Moviez has developed a 3D

compliant technology

which has already been installed on 110

screens across the country on a revenue sharing basis.

Currently it costs roughly ₹10 lakh to convert an exist-

ing 2D screen to 3D, say industry insiders,

while to build a new 3D screen costs around ₹30 to

35 lakh, depending on the technology adopted. "The

plan is to have 1,250 3D compliant screens in the next

two years," says Rajesh Mishra, CEO, Indian

Operations, UFO Moviez. All the

major multiplex chains expect 3D-enabled screens to grow by about 30 to 40

per cent annually. Theatre owners expect to quickly recover their investment con-

sidering that 3D films are currently generating two to three times the revenue per

theatre than the conventional format. "3D today is what Dolby (surround sound system) was 10 years back," says Pramod

Arora, Group President of the PVR chain of cinemas. "3D gives us repeat audience."

Already some Indian companies have become so adept at converting conven-

tional films into the 3D format that Hollywood has begun outsourcing work to them.

Mumbai-based post production and visual effects studio Prime Focus has just completed the conversion of

Chronicles of Narnia: Voyage of the Dawn Treader into the 3D format, using its own

proprietary software called View D. Other films it has on hand for conversion is

George Lucas's classic *Star Wars: The Phantom Menace*, which is slated for re-

lease in February 2012.

While some Indians may have mastered the technology, filmmakers com-



45%
of Avatar's total box
office collection in
India came from its
3D version



Following the Trend: 'Ra.One', Shah Rukh Khan's forthcoming science fiction-fantasy film is likely to have a 3D version as well



Sleeper Hit: 'Haunted', India's first stereoscopic 3D movie, released in May 2011, was made on a ₹13 crore budget and earned ₹43 crore at the box office

plain that there are not enough of them yet. *Haunted*, for instance, used a number of foreign technicians. "Getting talented people with full knowledge of the 3D medium is a challenge," says Arun Rangachari, co-producer of *Haunted*. "There are no experienced stereographers in the country." Another challenge is the film's production cost, which rises by 35 to 40 per cent if it is made in 3D without technical compromises.

Again, not all kinds of feature films are likely to work in the 3D format. The challenge lies in getting the right content visualised in 3D. "The genres that will work are horror films, thrillers and action movies," says Rangachari. "These have underperformed in India so far, but will pick up with the coming of 3D," adds Vikram Malhotra, Chief Operating Officer of Viacom 18 India.

A more worrying trend, however, is that in the West, the 3D mania seems to have already waned. Digital projectors and 3D-enabled screens are everywhere, and yet the proportion of box office collections that comes from 3D films has dropped this summer in the United States. The conventional format of four recent blockbusters – *Pirates of the Caribbean: On Stranger Tides*, *Kung Fu Panda 2*, *Green Lantern* and *Harry Potter and the Deathly Hallows*

– has done better than the 3D version. "Producers have learnt that 3D is no guarantee of success," says Vincent Teulade, author of a September 2010 report by PriceWaterhouseCoopers which was extremely sceptical about the future of 3D films. The mass-market potential of 3D entertainment remains uncertain, because of the wide gap between the availability of 3D-ready equipment and quality 3D entertainment content, he adds.

So is the trend likely to die? Most are convinced it will not. "There has been too much investment in 3D



See column on 3D films in India at www.businesstoday.in/raghav

technology for it to be a momentary fad," says Roger Pollock, Executive Vice President, Paramount

International Pictures.

Indian experts maintain that the 3D format alone may not be enough; the total viewing experience should be satisfactory. "Viewers go to theatres for a full cinematic experience," says Anil Arjun, CEO of Reliance Media Works. "Even the slightest lapse in format and technology use can deter the audience." Chief Creative Director of Prime Focus Merzin Tavaria echoes his sentiments. "The viewer needs a perfect balance between the technology and the storyline rather than pure entertainment," he says. "It is all about giving depth, foreground and background to visuals to maximise the impact. It is a process of sculpting."

The future of the format looks even brighter considering that 3D television screens are also being developed. These do not even require viewers to wear special spectacles, as they have to in a movie theatre. 3D-enabled Blu Ray Discs are already in the market. In Hollywood, the home video segment accounts for almost 50 per cent of collections. In India too, the segment is rapidly growing. ♦

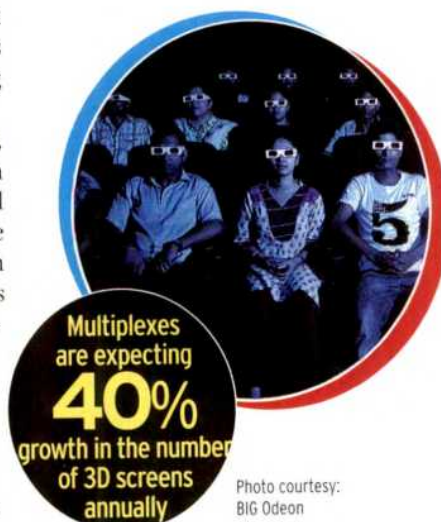
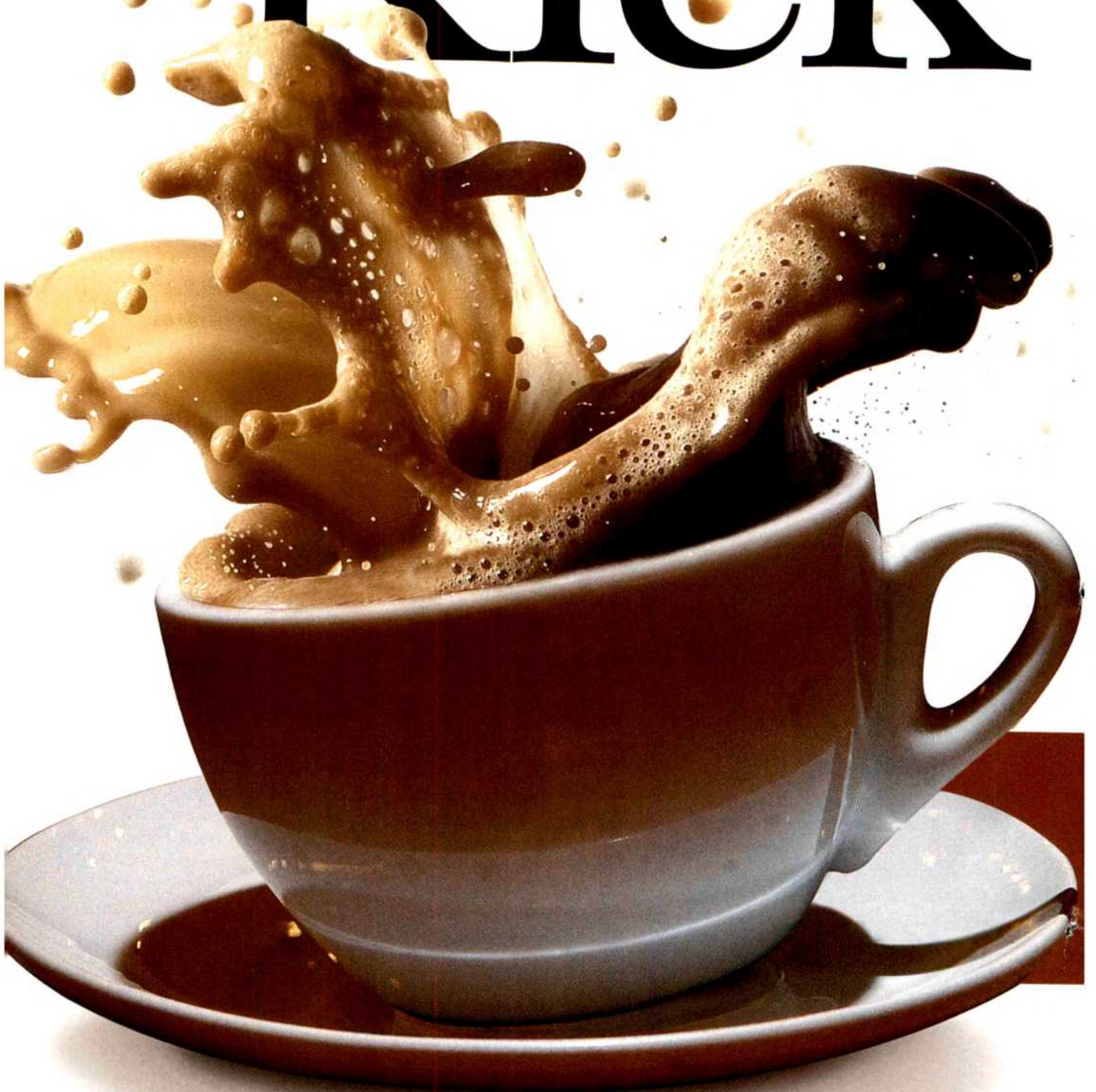


Photo courtesy: BIG Odeon

A Stronger Caffeine Kick



Branded chains are reworking their models as competition in the coffee retailing sector increases. By MANU KAUSHIK

It was a call from a banker friend last year that set Santhosh Unni, CEO of Costa Coffee, on the road to revamp. The friend complained that every time he visited a particular Costa Coffee outlet in south Delhi, he found all the tables full. He had to either leave or wait a long while before he got a place: it was most frustrating.

In the five years since it entered India in 2005 through the master franchisee Devyani International, the UK-based Costa Coffee had set up 40 outlets. Some of them were just 800 to 1,000 sq ft in size and could seat a mere 30 customers at a time. Probing further after his friend complained, Unni found out that the peak hours were between noon and 2 pm, as well as between 5 and 7 pm, and that many of his outlets were too small to cope with the rush. People were staying away thinking that Costa Coffee outlets were always full. "I realised that if we are not able to handle the peaks, we will never be able to make money," says Unni.

Thus, each new store Costa has been adding this year is at least 1,200 sq ft in area, going up to 1,500 sq

ft, capable of seating around 65 at a time. "We are signing nine-year leases, so we need to make sure our stores are large enough to handle the growing customer volumes over the next nine years," says Unni.

From figuring out the right store size to firming up supply chains, from entering new segments to refining and expanding menus, organised coffee retailers in India are reworking their strategies as never before, as competition intensifies. Two more leading global players, the American giants Starbucks and Dunkin' Donuts, are expected to join the fray in 2012. All of them expect India's ₹900-crore coffee retail market to expand further, as coffee drinking in swank cafes becomes more popular among India's growing class of professionals and well-off youth.

Despite the influx of global players, the indigenous Café Coffee Day, a subsidiary of the ₹1,000-crore Amalgamated Bean Coffee Trading Co., has remained the market leader since starting out in 1996. It has 1,130 operational stores and 900 kiosks in 170 cities and towns – which is 75 per cent of the total number

Steaming Hot

Estimated size of the organised coffee retail market in India

\$200 mn*

Estimated number of stores by 2015

5,000

Number of outlets now

2,400

Average spend per customer per visit

₹90

Growth rate

40%

Average contribution of food segment to overall revenues

30%

*In 2010
Source: Booz & Company, BT Research



SHEKHAR GHOSH

SANTHOSH UNNI,
CEO, Costa Coffee

"I can't have this business running with just 100 stores. It starts making sense to stakeholders after 300 stores"

of stores in India's branded coffee retailing market.

But Café Coffee Day, or CCD, is not resting on its oars. Last year it moved into the premium segment with outlets called 'The Lounge', where items on average cost 40 per cent more than they do at the usual CCD stores. In return, these stores – 20 have opened across the country so far – offer a more diverse menu, including gourmet coffees prepared in exotic ways (see <http://goo.gl/cJV58>) and food customised to individual tastes.

Customers are offered a wide range of breads, toppings, fillings and sauces and are allowed to choose their own combinations for sandwiches, pizzas and the like. The average spend per customer at

a CCD store is around ₹170, whereas at The Lounge it is ₹210. "We hope to see a 25 per cent increase in realisation per person from The Lounge outlets," says Venu Madhav, Chief Operating Officer of CCD. He plans to double the number of Lounge outlets over the next year.

CCD has also revamped its menu twice in the past year. Acknowledging the heterogeneity of Indian tastes in snacks, it has added a large number of region-specific dishes. "Around 30 per cent of the food items on our menu are regional picks," says Madhav. For example, Murg Chhole – a sandwich whose filling comprises chicken and gram – is available only at CCD's Hyderabad outlets, and Kothimbir Vadi Calzone is sold solely at its Mumbai stores. To get the authentic flavour in these localised food items, CCD has tied up with regional players like Nirula's in northern India and Ambassador Flight Kitchen in western India.

Other chains are also trying hard. Coffee Bean & Tea Leaf, the oldest and largest privately-held coffee and tea retailer in the United States, entered India in

2007 and currently runs 13 stores. It has been adding new items to its menu every month to attract more customers and prevent food fatigue.

"We need to give customers more than just coffee to come to our stores," says Arun Chopra, Business Head (Operations) of Blue Foods, the franchisee of Coffee Bean & Tea in India. "We have doubled the number of food items on the menu since 2008."

Gloria Jean's, Australia's largest coffee retailer that came into India in 2008, has positioned itself at the upper end of the market. It plans to invest ₹70 crore over the next three years to ramp up its presence to 100 stores from the current 18, besides selling its products from kiosks and mobile carts. "Globally, we have twice as many kiosks as stores," says Tony White, Gloria Jean's regional general manager. "Kiosks cost less to set up and offer immense brand visibility in strategic spots like shopping malls."

The coffee retailers, however, have their own specific approach to scaling: while some are in a rush to expand, others prefer to consolidate. Unni of Costa, which operates 85 stores at present, says there is immense pressure on him from the franchise owners to open at least 60 new stores a year. "I can't have this business running with just 100 stores. This business starts making sense to stakeholders after 300 stores," he says.

In contrast, Barista, an indigenous chain that

Growers' Glee

India's coffee growers are upbeat. Coffee prices have held firm this past crop season. Arabica beans touched a high of ₹323 a kg and Robusta hit ₹123 a kg in international markets this year. Domestic coffee consumption is also increasing steadily: it rose by 12,000 tonnes in the two years up to 2009, the last year for which data is available.

Not surprisingly, despite persistent problems – ageing plants, unexpected weather changes, pests attacking the crop, labour shortage – most coffee planters have been stepping up production. The Coffee Board has begun subsidising the purchase of machinery for use in plantation since early this year. “We want growers to start mechanising as much as they can, using our attractive subsidy scheme,” says Jawaid Akhtar, Chairman of the Coffee Board. “Funds are not a constraint.” Increased mechanisation will help combat at least the problem of labour shortage.

Most of India's 400,000 hectare coffee growing area lies in the southern states of Karnataka, Kerala and Tamil Nadu, with Karnataka alone accounting for 71 per cent. Arabica coffee beans accounted for 32 per cent of India's coffee production of 300,000 tonnes in 2010/11, with Robusta making up the rest. “India's Robusta is the best in the world, and our growers get a premium for their beans,” says Akhtar.

Globally, India ranks seventh in coffee production. But the gap with the top coffee growers is wide: India's share in world coffee production and coffee exports is only four per cent. Brazil, the world's top coffee grower, produces eight times as much as India does. The commerce ministry is pushing hard to increase both coffee production and quality so that India's share in world exports increases. The Board is also trying to encourage coffee growing in new areas such as Andhra Pradesh and the North East. “The price we got for the 2010/11 crop was the best so far,” says Radhika Yathiraj, who owns a 100-acre plantation in the heart of the coffee belt – Mudigere in Chikmagalur district of Karnataka. The yield, she says, would have been even higher but for the pests and droughts in previous years.

K.R. BALASUBRAMANYAM



was acquired by Italian coffee major and the world's sixth largest coffee roaster Lavazza in 2007, is cautious about expansion. “The focus is not merely on increasing the number of outlets. An outlet may work for a bit of time, but later may not make much business sense,” says Attilio Capuano, Director for Asia & Pacific at Lavazza. Barista currently runs 188 outlets across the country.

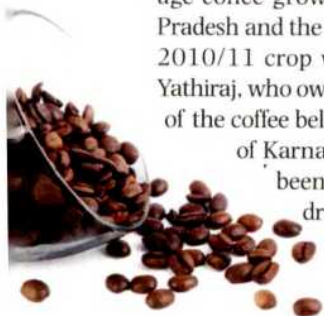
Given the rate at which most retailers are scaling up, once Starbucks and Dunkin' Donuts enter, a serious shake-up is almost a certainty. Neither of the two American giants will be content to remain bit players. “The pie will grow as the entry of more global chains will expand the market,” says Raghav Gupta, Principal at management consulting firm Booz & Company. “But these newcomers will also increase competition at the upper end of the market, which will impact players across the segment.”

Which players are best equipped to cope with the coming storm? With its parent company owning over 10,000 acres of coffee plantations – it has been growing coffee for the past 200 years – CCD has a formidable defence. Unlike other chains, it is also immune to fluctuations in global coffee prices, which poses a major challenge to coffee retailers. Lately, after a long period of stability, coffee prices have been climbing: Robusta coffee beans, for instance, were trading at \$1.21 a pound in July, up from \$0.75 two years ago – coffee prices are internationally quoted per pound, not kilos. The last time Robusta hit \$1.20 per pound was in 1995.

Again, CCD's parent company also makes its own coffee machines. “They cost ₹1.2 lakh, which is half the price of an imported machine,” says A.G. Puttaraj, President, who heads the coffee machine manufacturing unit. “The annual cost of maintenance is also around two to three per cent of the cost of our machine, compared to roughly 15 per cent for imported machines.”

Indeed, there are many like Vijay Subramaniam, the 41-year-old Mumbai-based sales head of a large entertainment company, who says he finds coffee shops the most convenient place to meet friends, colleagues and business associates. Having visited the US many times, he is looking forward to Starbucks' entry. “Starbucks offers an entire range of gourmet coffees. Coffee chains in India are catching up fast,” he says. ♦

ADDITIONAL REPORTING BY GEETANJALI SHUKLA



Honouring the super women
of Indian business

Dove



presents

business|today

Most Powerful Women In Indian Business

August 30, 2011 • Mumbai

ITC Grand Central, Mumbai – A Luxury Collection Hotel

The **Business Today Most Powerful Women Awards**, presented by **Dove**, felicitates women of the highest calibre and talent for their excellence in business. Their achievements not only influence the organisation and industry but also inspire thousands of women to pursue their dreams.

Come and celebrate their remarkable accomplishments!

Chief Guest

Sara Mathew

Chair of the Board and CEO, Dun & Bradstreet

Powered by

Bloomberg | **UTV**
BLUNT AND SHARP

Partners

SWAROVSKI ELEMENTS

Pinky

THE WORLD'S MOST BEAUTIFUL ENTERTAINMENT

OOH Partner

BRIGHT
OUTDOOR MEDIA PVT. LTD.

Dove



business|today

Congratulations to the winners

The world of Indian business
applauds your achievements



Chief Guest – **Shri Pranab Mukherjee**, Minister of Finance, Government of India; Guest of Honour – **Shri Montek Singh Ahluwalia**, Deputy Chairman, Planning Commission, Government of India; **Shri Aroon Purie**, Chairman and Editor-in-Chief, The India Today Group; and **Shri Rana Kapoor**, Founder, MD & CEO, YES BANK, at the award function with the winners.



presents



BEST CFO AWARDS

in association with



Business Today and **YES BANK** congratulate the winners of **BT Best CFO Awards**. Your achievements underline the changing responsibilities of financial leaders in steering the company's growth and meeting shareholder expectations.

**Thank you partners and attendees for applauding
excellence in financial management.**

Powered by



Event Partner



OOH Partner

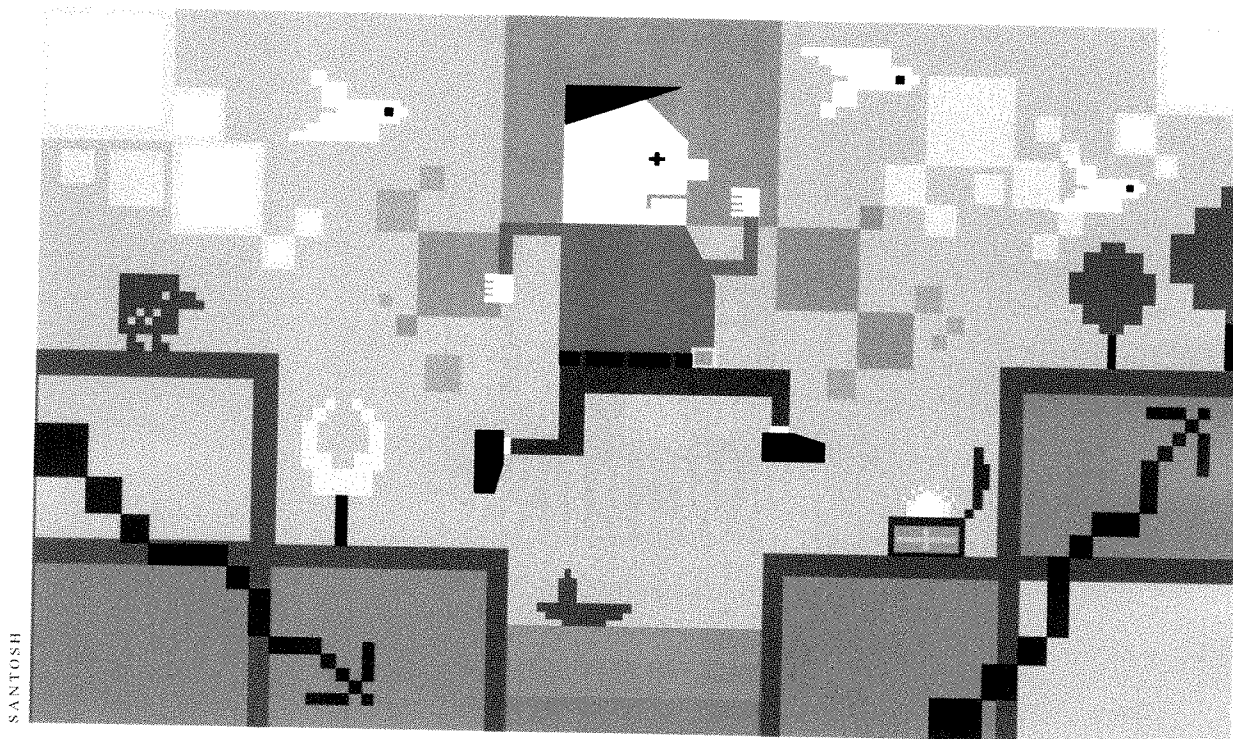


Presenting Partner



MONEY

**MIXED SIGNALS
ONLY HALF THE
COMPANIES THAT
SPLIT STOCK GAVE
POSITIVE RETURNS
OVER A YEAR**



Split Verdict

How do share prices react to stock splits? There is no fixed pattern.

By RAHUL OBEROI

Did you wake up one fine morning to find, while looking at stock tickers or scanning the stock quotes, that your favourite stock has nosedived? You could have been taken by surprise if you had not been tracking developments related to the company, or did not carefully read the relevant notice the company sent to you.

One of the reasons for a sharp drop in the stock price could be that the company had announced a

stock split some time ago that you remained unaware of, but which has finally been reflected in its market price. In this report we examine the mechanics of a stock split and how an investor should react to it.

Evident from the term itself, a stock split is a division of a share into shares with a lower face value. The division takes place in a way that the total market capitalisation of the stock post-split remains the same.

Some Win...

Company	Split Ratio	Post-Split Price	Price After a Year	% Change
Unitech	1:5	84.70	262.38	209.78
Crompton Greaves	1:5	89.29	168.46	88.67
Glenmark Pharmaceuticals	1:2	367.35	671.95	82.92
Ambuja Cements	1:5	59.35	90.30	52.15
Exide Industries	1:5	43.54	59.72	37.16
Sesa Goa	1:10	175.75	240.05	36.59
ITC	1:10	70.10	93.55	33.45
Hindalco Industries	1:10	121.09	157.26	29.87
Siemens	1:5	388.73	493.90	27.05
Mahindra & Mahindra	1:2	553.60	686.35	23.98

Some of the stock splits between January 2001 and May 2010 of companies with over ₹7,000 crore market cap as on May 9, 2011

Source: Ace Equity

This, in effect, means the total value of your holding on the day of the split does not change as the number of shares you possess increases.

After a split, new investors are often keen to buy more of the stock as it is available at a lower price. They think they will stand to gain. Is such optimism justified? Maybe not. Our research on companies that went for stock splits between January 2001 and May 2010 shows that exactly half of them had moved up in the share market a year after the split, while the other half witnessed a drop in price (see *Some Win* and *Some Lose*).

Why Companies Go for Stock Splits

Stock splits are mainly carried out with the intention of increasing liquidity. Once liquidity increases, more buyers and sellers trade in the stock, which, in turn, helps to discover its true value.

Lalit Thakkar, Managing Director, Institution, Angel Broking, says, "The prime intention behind a stock split is to enhance liquidity in the stock and also make the stock more affordable. This is witnessed more when the price of a stock moves up significantly. Thus, a stock split is usually resorted to by companies that have seen their share price increase to levels that are either too high or are at least much higher than the share price levels of peer companies." For instance, on August 17, 2010 the stock of Housing Development Finance Corporation (HDFC) was trading at ₹3,011.45. The company split the share in a ratio of 1:5 and the share price closed at ₹621.20 on August 18, 2010 (post-split).

In a stock split, the outstanding shares are divided into specific numbers of predetermined shares and the liquidity of the stock increases.

This is how a stock split works. Suppose a company

has 100 crore outstanding shares of ₹10 face value and it announces a split to ₹2 face value per share. Therefore, one share of face value ₹10 will become five shares of ₹2 face value. A person holding 200 shares of the company will have 1,000 shares after the stock split.

Udit Mitra, Director, Research, MAPE Securities, says, "If a company's fundamentals remains robust, there will be no impact on the value of your investment,

but on the trading floor, as more floating shares are available for trading, you expect market forces to determine the true price with a bigger volume. Hence, if the fundamentals are good, stock will trade up and vice versa."

What's In It for Investors

If you own a stock that declares a split, the number of shares you own increases. However, the price per share reduces. This is because the market capitalisation remains the same. Market capitalisation is calculated by multiplying a company's outstanding shares by its current market price. In theory, a split should result in an increase in the number of shareholders as more investors would buy at lower prices. Avinash Gupta, Vice President, Globe Capital, says that while investors assume that there could be some benefit resulting from an increase in trading activity and the consequent price movement, they should try to understand the objectives of the split and the potential benefits as well as disadvantages.

It seems that a stock split may not automatically result in benefits for investors who bought the split share at a lower price. One of the possible reasons for the increase in share price, if it happens, is that a stock split provides a signal to the market that the company's share price has been increasing prior to the split and people assume this growth will continue in the future. However, the key

...Some Lose

Company	Split Ratio	Post-Split Price	Price After a Year	% Change
Suzlon Energy	1:5	373.60	50.88	-86.38
Jaiprakash Associates	1:5	266.43	51.33	-80.73
Jindal Steel & Power	1:5	350.71	138.40	-60.54
NMDC Ltd	1:10	474.62	200.80	-57.69
GMR Infrastructure	1:5	86.98	41.35	-52.46
Engineers India	2:1	461.30	288.30	-37.50
Sun TV Network	1:2	436.60	282.30	-35.34
Ranbaxy Laboratories	1:2	504.25	356.15	-29.37
Godrej Consumer Products	1:4	178.25	133.58	-25.06
Bharti Airtel	1:2	415.95	313.80	-24.56

Some of the stock splits between January 2001 and May 2010 of companies with over ₹7,000 crore market cap as on May 9, 2011

Source: Ace Equity

parameter to be evaluated while investing in a company which has gone in for a stock split is the valuation of the company or its underlying fundamentals. For an overvalued company, chances are that it will see a decline in its share price after a 1:2 split. Take the example of Ranbaxy. Its share was trading at ₹1,039.55 on July 22, 2005 and it closed at ₹504.40 on July 25, 2005 (post-split). "It was trading at 32 times one year forward price-to-earnings-ratio (P/E). The fundamentals of the company also deteriorated. Hence after the split, the stock underperformed," Thakkar added. A year after the split, on July 25, 2006, the share price had dropped around 29 per cent to ₹356.15.

Invest with Care

An analysis by *Money Today* of companies which underwent stock splits between January 2001 and May 2010 based on their market capitalisation reveals that exactly half of them gave positive returns during the one-year period from the date of stock split. The remaining stocks gave negative returns.

"The analysis confirms that the manner of slicing does not make the cake bigger. The price performance of the share depends on the state of the market and the fundamentals of the company once the transients settle down," adds Gupta of Globe Capital. Market experts believe that investors should look at the fundamentals of the company before taking a position immediately after a stock split. "Stock splits by themselves have a neutral affect on the price of a stock," says Avinash Nahata, Head, Fundamental Desk, Aditya



"The intention behind a stock split is to enhance liquidity and to make the shares more affordable"

Lalit Thakkar, Managing Director, Institution, Angel Broking

Birla Money.

Let us analyse the performance of two companies, ITC and Bharti Airtel, after they split their share value. The stock of ITC was split on September 21, 2005 and that of Bharti Airtel on July 24, 2009, respectively. ITC gained from the split, while Bharti Airtel suffered.

ITC: ITC shares were split in the ratio of 1:10. The share price of the company surged 33.45 per cent to ₹93.50 (post-split) on September 20,

2006, a year after the split. On an average, the trading volume of shares of the company during April-September 2005 (till the stock split) was at 1.04 lakh shares against 24.89 lakh shares for the rest of the calendar year 2005. During the June 2005 quarter, the company posted a net profit of ₹558.30 crore, up 20.85 per cent, against ₹461.99 crore a year ago.

Bharti Airtel: The stock was split in 1:2 ratio. The share price fell by around 25 per cent after the split from ₹415.50 (post-split) on July 24, 2009 to ₹313.70 on July 23, 2010. From January 1, 2009 to July 23, 2009, the average trading volume remained at 6.90 lakh shares against 20.13 lakh shares during July 24, 2009 to December 31, 2010. During the June 2009 quarter, the company posted a net profit of ₹2,687.50 crore, up 31.30 per cent, against ₹2,046.79 crore a year ago. "The post-split fundamentals of the company and investors' sentiments give direction to the stock price after the split," says Gupta. As the cases of ITC and Bharti Airtel suggest, in the case of stock split, chances are there that the stock can go in either direction. ♦

Courtesy: Money Today

**Auto
Bild**
INDIA

WORLD'S LARGEST. INDIA'S FASTEST.

THE
INDIA
TODAY
GROUP

Celebration Offer!

Subscribe now and get a FLY mobile phone
worth **Rs. 3,960/- FREE!**



Q-135 Fashion

- 11.2 mm - Slim Qwerty
- 2.0 MP Camera
- Video Record & Play
- Audio Player with Equalizer



Hurry!
Limited
Period
Offer.

Auto Bild India is India's only fortnightly auto magazine which comes packed with latest Car & Bike news, reviews & opinions, advisor section, comparative testing, motor sport and international news.

WITH AUTO BILD INDIA YOU DON'T NEED TO WAIT FOR A MONTH!
GET LATEST INFORMATION BEFORE ANYONE ELSE DOES.

Please fill in the form and send it back to us at the address mentioned below

Subscription Form

Yes! I would like to subscribe:

☐ **3 Year (72 Issues): Pay Rs. 3,600/- Rs. 2,900/- +**

BEST BUY

FREE Gift, Fly Mobile phone worth Rs. 3,960/-

Name (Mr./Ms./Mrs.): _____

Address: _____

City: _____ State: _____ Pin (essential): _____

Tel.: _____ Mobile: _____ E-mail ID: _____

Cheque No./DD No. (In favour of Living Media India Limited. For Non-Delhi cheque, pls. add Rs.10/-): _____

Dated: _____ for Rs. _____ or charge the total amount of Rs. _____ to my credit card. ☐ ☐

Card No.: Card member's name: _____

Card expiry date: Signature: _____ Date: _____

Subscription Terms and Conditions: Auto Bild India cover price is Rs. 50. Savings are off the cover price. Special rates and offer valid in India for limited period only. Auto Bild India is a fortnightly magazine. Allow 4-6 weeks for processing of your subscription from the date of sending the necessary documents to Auto Bild India. Specifications of the gift in the offer are subject to the availability of stock. Auto Bild India will not be responsible for any postal delays, transit losses or mutilation of the subscription form. Auto Bild India reserves the right to change the terms and conditions of this subscription at any point of time without any prior notification. The subscription request received prior to that would be honored on the same terms which were prevalent at the time of dispatch of the form. Subscription would be preceded on realization of the payments. By filling the subscription form, the subscriber understands and agrees to all the terms and conditions of the offer. Your free gift will reach you in about 4-6 weeks of commencement of your subscription. Do not send cash. Add Rs. 10 for non-Delhi cheques. Offer valid till stocks last. It will not be possible to entertain any request for cancellation once the free gift has been dispatched. Superimpose your name and address on the reverse of the cheque/DD. All disputes are subjected to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Terms and Conditions apply.

TO SUBSCRIBE

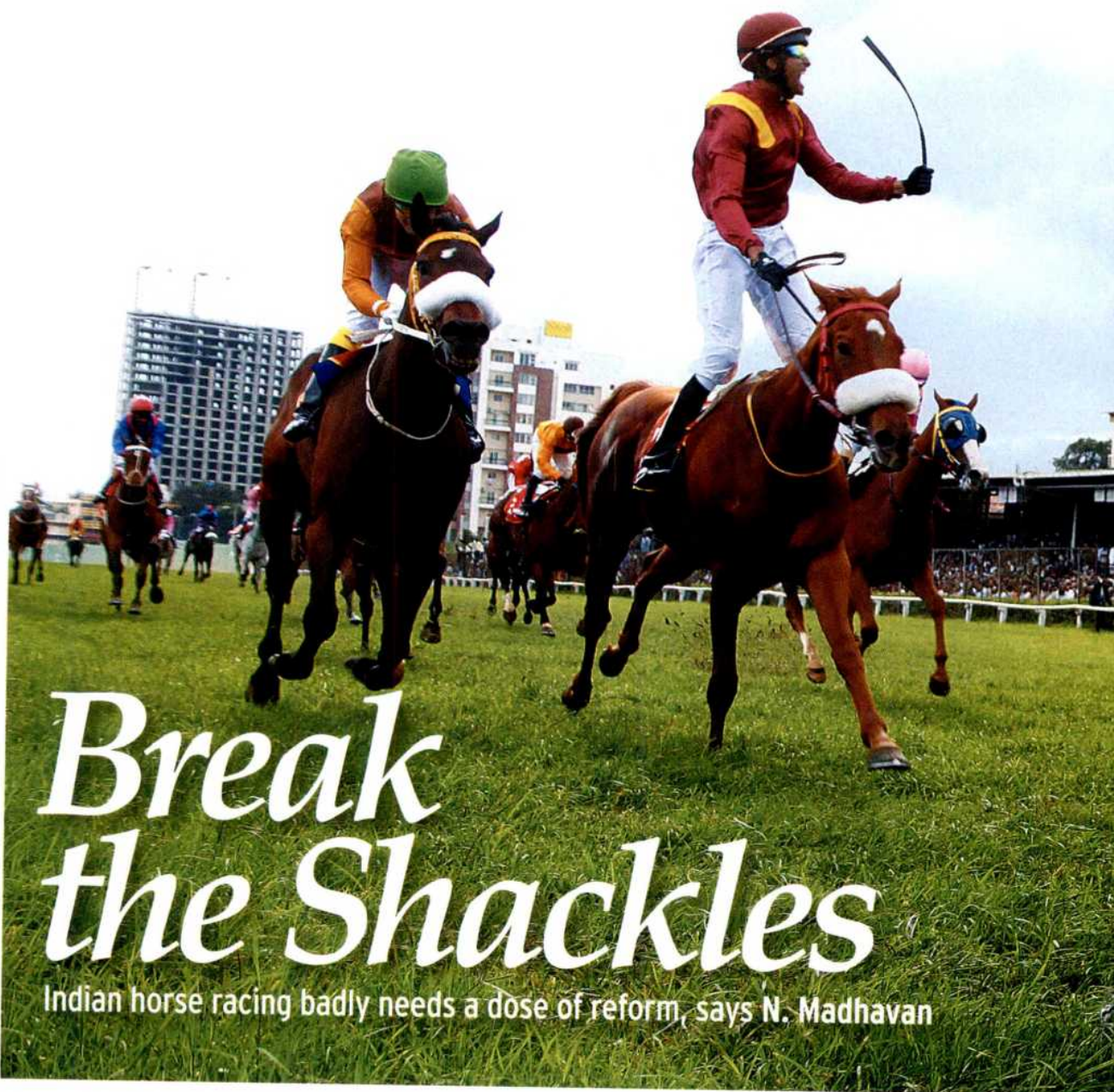
Email: wecarebg@intoday.com

Call Toll Free No.: 1800 1800 100 or (0120) 2479900

Subscription Dept. A-61 Sector-57, NOIDA-201301 (U.P.)

LAST **B**UT **N**OT **L**EAST

PERSONAL TECH **123** SMART EXECUTIVE **125** PEOPLEBUSINESS **134**



Break the Shackles

Indian horse racing badly needs a dose of reform, says N. Madhavan

PHOTOGRAPHS BY DEEPAK G PAWAR / www.indiatodayimages.com



Photo finish: Race enthusiasts in Bangalore



Elated: Jockey Srinath Surendra



Hat tricks: Spectators at the derby



Winner: Pronto Pronto edges past rivals to lift the Kingfisher Derby

The bell rings. The starting gates open on an overcast Sunday evening in Bangalore, and 17 of India's finest racehorses lunge forward. The Kingfisher Derby – the race that offers the largest prize money in the country, ₹2.36 crore – is underway. The crowd is silent as the horses cover the first few hundred metres of the 1,950-metre race. But as they reach the last stretch, decibel levels in the jam-packed galleries rise to a deafening roar.

Every punter bellows the name of the horse he or she has put money on. Lovely Kiss and Star Marquess were the bookies' favourites, but neither is in the lead as the race reaches its final, climactic moments. Finally, in a last-minute burst of energy a

horse called Pronto Pronto pips the others to win the Derby. Those who bet on Pronto Pronto will earn six times the money they had wagered.

The substantial prize money, the large crowd, the carnival-like atmosphere, are all testimony to the fact that horse racing in India is regaining some of its lost charm. The stigma associated with the betting aspect in horse racing – which labelled it as mere gambling – appears to be dying. "Over the years people have accepted that horse racing is a sport where skills are more important than luck," says Mohit Lalvani, horse racing consultant for the UB group, which sponsors the Derby.

A bigger challenge for horse racing is the set of archaic laws that govern it, and policy indifference. "If



Tiptoe: Jockeys strain to win

racing in India has to achieve global scale we need to open our doors," adds Lalvani.

Existing rules allow only Indian-born horses to participate in races like the Kingfisher Derby. "The rule was put in place soon after Independence to protect the Indian breeding industry which could not have survived international competition then," says Zeyn Mirza, Managing Director of the racehorse breeding company, United Racing & Bloodstock Breeders. "But over the past 20 years, especially after liberalisation in the 1990s, breeding in India has improved by leaps and bounds. Today we are ready to take on competition."

Not all agree. Some believe the sector still needs protection. "We have not reached that stage yet. We need more depth in breeding to take on international competition," says Farook Wadia, President, National Horse Breeding Society of India.

There are also challenges in taking Indian

horses overseas for races. "Many countries do not allow Indian horses," says Wadia. "Or they put stringent entry conditions for fear of their horses getting infected by glanders – a disease prevalent among the country-bred horses in India." Indian racehorses are thoroughbreds and do not suffer from glanders, but many

countries are unwilling to make the distinction.

In 2004, for instance, an Indian racehorse named Classical Act had to be flown all the way to California and then spent 10 days in quarantine before it was allowed to participate in a Dubai race.

But there are ways out. A far worse ailment, African Horse Disease, is common among horses in South Africa. But South Africa overcame the problem of acceptance abroad by zoning – creating special zones which were checked and demarcated as disease-free. Horses bred in these zones do not face the restrictions other South African horses do. "We are working on a similar zoning system in India too," says Wadia.

The shackles holding back horse racing in India frustrate Srinath Surendra, the jockey who rode Pronto Pronto to victory. "I want to compete with the best," he says. Unfortunately, his confidence is not shared by many others. ♦



On their marks: Heading for the gates before a race



Warming up: Horses strut their stuff at the paddock



Hello, It's Your Phone Listening

The human-computer interaction is being dramatically changed

Have you recently purchased a smartphone? If yes, have you tried talking to it? You heard it right, talking to it and not talking into it. Why, you ask? Well, because you can. Phones have been able to understand basic voice commands for a while now. But try using the latest generation of voice commands and you will be surprised at how good they are.

I tried using Google Voice Search on a relatively recent Android device. While looking up numbers for a Chinese takeaway from the *Business Today* office, the voice recognition software not only understood what I was saying – and believe me, I tried several different voices – it also used the geo-location abilities of the HTC Sensation that I was using to further filter results specific to my location.

But it is not just voice-based search that is revolutionary. Some of the best work in voice recognition is being done by Nuance, an American firm. Some of you must be familiar with Nuance's Dragon Naturally Speaking software. Not only can this rather "amazing" tool help one input text without using a keyboard, the latest version also understands a whole host of accents and tones.

In fact, Nuance claims that the software constantly learns and adapts to the accent of the main

user. Nuance has also developed voice transcription software which can understand medical terms. It is specifically aimed at the transcriptions and records market.

As a journalist, I find voice recognition tremendously useful. A one-hour interview often takes over five hours to transcribe, possibly longer, if one is dealing with a thick accent.

There is another very interesting

mind that using your mobile phone while driving, even with full hands-free ability, is dangerous and possibly illegal. That said, several luxury cars such as the Mercedes S-Class already come with certain controls that are commanded by the driver's voice.

But the really interesting innovations in the voice recognition space are those in gaming consoles. Here products such as the Nintendo Wiimote and Microsoft Kinect,

whose actions are read and understood by machines, can be combined with the voice control abilities of software. This has exciting prospects for the future, a future where the keyboard and the mouse become extinct and where the offices will be devoid of clickety-clack sounds.

Voice-based computing will have one pronounced impact in India, where we have a multitude of languages. Much as satellite television led to the spread of regional-language TV, local-language

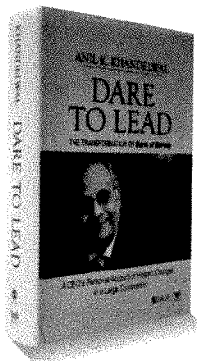
voice input on mobile phones or computers can lead to a dramatic rise in user adoption of the Internet. In China, all but a minuscule percentage of the Internet remains in English, mainly for expats. In India, only around five per cent of the Internet is in local languages. Voice-based inputs will allow people to create content in local languages far more easily than ever before. ♦



piece of software which I recently tried on an Android device. The Vlingo Virtual Assistant, which works on all major smartphone operating systems, allows true hands-free driving with its ability to let users speak out a text message rather than type it, and also reads out messages. It is not perfect, but its search and speech read-out abilities make it quite useful. However, do keep in

Banking on People

The autobiography of Bank of Baroda's ex-chief is riveting, says Somnath Dasgupta



Dare to Lead
By Anil K. Khandelwal
Publisher: Sage
Pages: 403
Price: ₹795

There was a time when withdrawing or depositing cash in a bank meant taking half a day's leave and queuing up at a bank branch, while a small army of clerical staff wrestled with huge ledgers to record simple transactions. Bank staff were strongly unionised, while branch managers sat in splendid isolation in their cabins. But the reforms of the

1990s and the opening of the new generation private sector banks changed all this, forcing even the smallest of government banks to get smart with technology, do up their interiors and install airconditioning.

Things have changed for the better. Or have they? Technology has made life much better for bank staff as well as customers. Yet the people behind the bank counters do not look any happier than before, or better aligned to their organisation's goals. Technology has made the customer interface messy, creating "verticals" such as call centres, or text messages and emails sent to customers, that the bank staff who interact with the customers knows nothing about.

In *Dare to Lead*, Anil Khandelwal shows how Bank of Baroda, or BOB, got a handle on the human aspects of running a bank much better than other public sector banks, or even the private ones. Khandelwal admits he is not an accountant and never got hooked by numbers, his specialisation being

human resource development or HRD. He would have loved to specialise in HRD within the bank, but his ideas upset some vested interests, and they got him posted to head an operational zone. Everyone expected him to fail. But he took up the challenge and decided to put his theories about people to the test. The numbers would come later, he figured, once he cleared the system of "cholesterol" – processes that kept it clogged.

In an interview to *BT*, he adds: "Everywhere, I have produced results through people."

As it turned out, his zone shone on all parameters. From then on, his rise to the chairman and managing director's post was steady, barring minor hiccups. One such hiccup was a posting to Kolkata, which was then the hotbed of trade unionism. Amazingly, Khandelwal soon had the unions on his side. Later, as an Executive Director at the head office, he again faced trouble from sections opposed to him. "The Calcutta union did not join the tirade against me as ED," he recalls.

Khandelwal's account is riveting for every middle class Indian with aspirations, but no godfather to promote him. More importantly, he shows that doers can get results even in a public sector setting.

"Is there any reason why I should give up my accounts with other banks, and turn to Bank of Baroda?" I ask Khandelwal. Yes, he says. For one, he notes that BOB has a friendly frontline culture, based not the least on the fact that it was set up by a far-sighted ruler from Gujarat. For another, he says, it is much more customer oriented, technology savvy and relationship driven. But he concedes that BOB has not reached the 'Victoria Terminus' of excellence. ♦

"The numbers will be automatically created... everywhere, I have produced results through people"

BOOKMARKS



The Steve Jobs Way
By Jay Elliot with William L. Simon
Jaico Books
Pages: 259
Price: ₹250

Former Apple employee Jay Elliot – assisted by journalist William Simon – records his stint at the company and his impressions of its legendary CEO, Steve Jobs, with whom he worked closely.



The Branded Mind
By Erik du Plessis
Kogan Page
Pages: 251
Price: ₹895

The book explores how people think about brands, and how an awareness of neuroscience can help in marketing and brand-building strategies.



Walking the Ethical Tightrope

It is not a fuddy-duddy idea to pay heed to your conscience at work

Thank You and Goodbye' was the headline with which *News of the World*, the British tabloid in the dock for widespread illegal phone hacking, announced its closure on July 10. Rebekah Brooks, who resigned as its Chief Executive following the scandal, will forever have to deal with the mess.

As stories gush out about the questionable information gathering measures used by the newspaper and pressures that reporters were put through to land exclusive scoops, the question arises: why did the seniors at the newspaper condone or, even worse, encourage such practices? There is a growing debate among management and human resource experts about the challenges of creating and nurturing ethical behaviour in organisations.

A successful consultant I know has sued some of his ex-employees for negotiating a contract while they were working for him, and then quitting to set up their own shop. These are stories that we routinely hear. But what if you had to deal with such a situation? Would you have informed the boss about what the employees were planning?

Certain work cultures, as was apparently the case with *News of the World*, create an environment high on machismo, which applauds employees who are able to get results, no matter what tactics they use.

"Few grasp how their own cognitive biases, and the incentive systems they create, can conspire to negatively skew behaviour and obscure it from view," say Max H. Bazerman and Ann E. Tenbrunsel, authors of *Blind Spots: Why We Fail To Do What's Right and What To Do About*

It. "Only by understanding these influences can leaders create the ethical organisations they aspire to run."

The authors, in their article *Ethical Breakdowns* on hbr.org, have grouped such slip-ups under five heads: ill-conceived goals, motivated blindness, indirect blindness, the slippery slope, and overvaluing outcomes. These are manifest in many



situations when tough goals are set with lucrative incentives thrown in. Examples of unethical behaviour are many: employees inflating billable costs to clients; sports coaches pushing their athletes to win at any cost, and turning a blind eye to the consumption of steroids; companies circumventing the law by using

accounting loopholes; auditors ignoring small lapses that have over a period of time populated the account books of companies; or pharmaceutical companies conducting clinical trials without proper checks and balances.

Most employees who have been trapped in such situations claim they do not even look at their business decisions through the ethical prism. They prefer to think of such decisions as 'purely business'. Ethical behaviour is taken for granted by most of us who have largely worked in upright organisations. But it does not take too much for things to turn ugly. Suppose you discover that your boss is moonlighting for another organisation. Or suppose you find some of your co-workers trying to sabotage a project because of illegal favours they have received. Or let us say your section head is aggressive about achieving targets without paying heed to how it is being done. All clear and present dangers today.

So, what should you do if your conscience keeps jabbing you over work issues? You should try and discuss the matter with your immediate superior or go to the next level. Being clear about where exactly the problem stems from, helps. To protect your own position, it is worth keeping a clear email trail that serves as back-up for the actions you take. If you feel a herd mentality is driving most of your colleagues and remonstrating with them will not be of much use, stick to your own job and do it the right way – even if it means being dubbed a relative underperformer. However, it is best to prepare a Plan B that says 'Thank You and Goodbye'. The reality is there are workplaces that are beyond repair. ♦

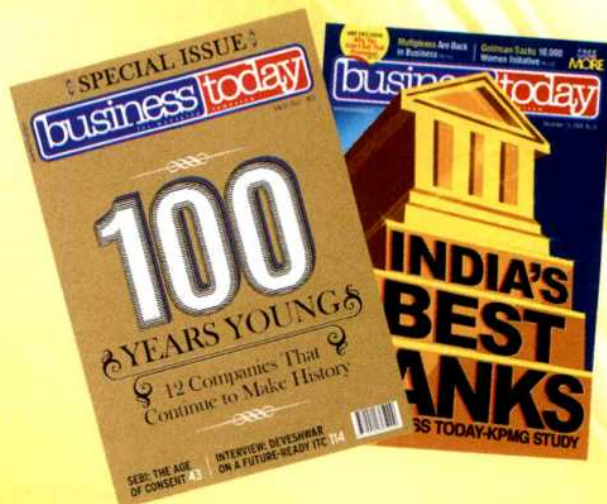
Subscribe to Business Today Clinch the smartest deal in seconds!

THE
INDIA
TODAY
GROUP

FREE
with 3 years
Subscription: A stylish
Benetton watch
worth ₹ 2599/-!



Two think-smart
Collector's titles
Worth ₹ 350/-
FREE
with a 1-year
Subscription!



business today

FOR MANAGING TOMORROW

Term	No. of Issues	You Pay (₹)	Free Gifts
3 Years	78	2340	Stylish Benetton watch ₹ 2599/- Best Buy
1 Year	26	780	2 Think-Smart Collector's Titles - How to make winning presentations + 250 IQ Mind Bending Puzzles worth ₹ 350/-

Please fill in the form and send it back to us in the address mentioned below

Subscription Savings Form

Send form with payment to LIVING MEDIA INDIA LTD.,
A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

- ☐ 3 Years (78 Issues) : Pay ₹ 2340/- + Get Stylish Benetton Watch Worth ₹ 2599/- **Best Buy**
☐ 1 Year (26 Issues) : Pay ₹ 780/- + 2 Think-Smart Collector's Titles - How to make winning presentations + 250 More Mind-bending IQ Puzzles worth ₹ 350/- FREE

Name..... Address.....

..... City.....

Postal Code..... Tel./Mobile..... E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ MasterCard ☐ American Express

Card No.....

Expiry..... Signature.....

Payment Enclosed: ☐ Cheque ☐ DD No..... (in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 10/-)

Subscription Terms & Conditions: Cover Price of BT is ₹ 30. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. Add Rs. 10/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are despatched. Terms & conditions apply.

To Subscribe - Email: wecarebg@intoday.com or Call Toll Free No.: 1800 1800 100 or (0120) 2479900

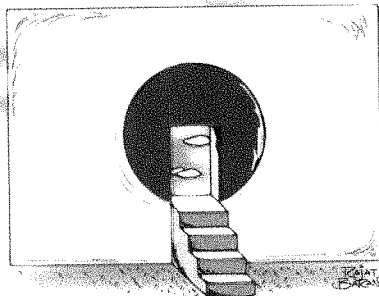
BT 21st Aug

Loving it in Tokyo

Natural disasters notwithstanding, Indians are flocking to Japan, says Anumeha Chaturvedi

Nazim Sayed, Senior Business Analyst with Royal Bank of Scotland based in Tokyo, is an ardent admirer of Japan and its work culture. The 37-year-old got his first taste of Japanese ways in the late 1990s during a stint with IT export firm Datamatics in Mumbai, when he had to deal with a lot of Japanese clients. Delighted with the experience, Sayed decided to shift base, and has been working in Japan for the past 14 years. "My stints with investment banks like Morgan Stanley and Goldman Sachs have taken me all over the world, but the work culture in Japan is very different. People are friendly, and honesty and hard work are still the most prized assets," he says.

As an Indian, Sayed may have been an oddity when he moved to Japan 14 years ago, but is part of a crowd now. Indians are being hired in Japan like never before. Executive search firms like Elixir Consulting, Global Hunt and Executive Access confirm that there has been a sharp rise in the number of Indians being hired in Japan. Both Japanese and multinational companies are doing so; Indian firms like Infosys, Wipro, and Larsen and Toubro are also looking to ramp up operations there. "We have witnessed a 20 to 30 per cent increase in the number of Indians



Rising Sun

COMPANIES HIRING IN JAPAN

- HTL Company
- Mastek
- Infosys
- Wipro
- Larsen and Toubro
- SH Japan
- ZenSar Technologies
- Shecom KK
- Tata Consultancy Services
- Sasken Communication Technologies

SECTORS HIRING IN JAPAN

- Manufacturing
- Infrastructure
- Power
- IT and ITes
- Banking and financial services

being hired for Japan over the past year. The recent tsunami slowed down the hiring for a brief period, but it is coming back to normal," says Ratnesh Kumar, Manager,

International Practice, at Elixir Consulting. Adds Executive Access Managing Director Ronesh Puri: "Indian talent is being recognised globally, and being hired in Japan is a reflection of that growing Indian market." He points out that many Japanese companies are looking at increasing investments in India and they consider it prudent to hire Indians who can help in scripting their strategy. Sunil Goyal, Director of Global Hunt, attributes the trend to the availability of manpower in India at low cost. "Indian resources are skilled, cost-effective and English speaking. And Indians are lapping it up since the compensation levels in Japan are about twice the amount they would get in India," he says. Agrees Sayed: "If I were to move back to India, I would have to take a pay cut of about 70 per cent."

Apart from the usual sunrise sectors like information technology, IT enabled services, and banking and financial services, others such as manufacturing, infrastructure and power are also in the thick of hiring in Japan. The demand is highest in the mid and senior levels across functions like engineering, construction, documentation, quality control and architecture. So, if you are itching to make a global career move, opportunity beckons eastwards. ♦



EMPLOYERS ARE WAITING FOR YOU.

Monster has over 20000 employers on the look out. Post your resume at monster.com and get the right job right here.

monster.com
Right Jobs. Right Candidates.



Senior Management Jobs brought to you by monster.com



JSW Steel Limited
Senior Manager Geologist
Location: Mumbai
Job ID: 10067186
Description: Role: Co-ordination with Mine Development teams & ensures timely execution of work; obtaining regulatory clearances from various agencies like MoEF, IBM, etc.



Headstrong
Delivery Manager
Location: Noida
Job ID: 9877005
Description: Responsible for managing revenue, profitability, customer satisfaction, retention, quality delivered for a team of 100+ consultants.



Elgiva Business Solutions Pvt Ltd
Sr. Manager - Corporate Communication
Location: Bangalore
Job ID: 10065563
Description: The profile will lead and guide the team in Corporate Communication. Would be responsible in branding, web management, Content management, Events etc.



Invensys
HR Specialist
Location: Pune
Job ID: 9981351
Description: Activities: Screen resumes & applications and interview applicants. Counsel employees concerning work-related problems and conduct termination Interviews, Provide feedback to management when necessary.



Firstsource Solutions Limited
Assistant Manager
Location: Siliguri
Job ID: 9983748
Description: The holder of this role manages all Employee Engagement & Retention activities of the Aligned Process.



Ness Technologies (India) Pvt. Ltd
Competency Trainer
Location: Bangalore
Job ID: 9838479
Description: Looking for an L&P Professional with 7+ years of core training experience.

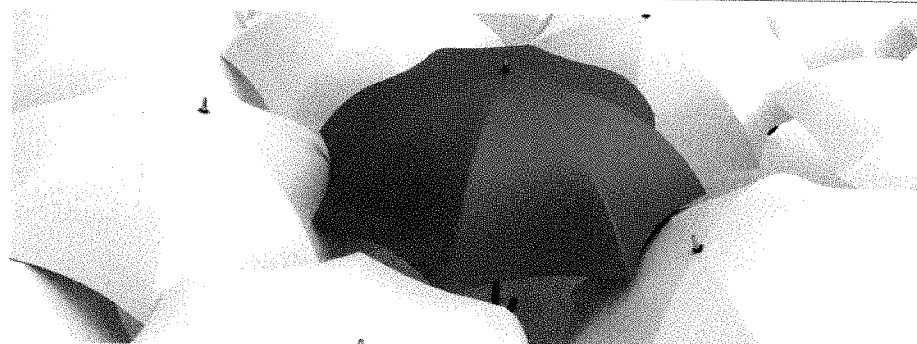


UST Global
HR Manager
Location: Thiruvananthapuram / Trivandrum
Job ID: 9207267
Description: Deliver customer focused HR services to the Strategic Business Units that contributes to the attainment of the business objectives.



Actel Semiconductor India Limited
ASIC Silicon Design Manager
Location: Hyderabad
Job ID: 8401194
Description: The ASIC Silicon Design Manager will be responsible for driving the implementation of ASIC logic blocks within the Actel FPGA products.

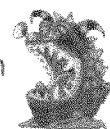
To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



From millions of candidates,
Monster helps you find the one
that's just right for you

Call us Toll free : **1-800-4196666**
OR
email us at sales@monsterindia.com

monster.com
Right Jobs. Right Candidates.



IT Jobs brought to you by monster.com



Sellcraft Softech Pvt Ltd

Software Engineer/ Programmer

Location: Gurgaon

Job ID: 9905779

Description: Looking for C++ Developer with 5+ years of experience into the same domain



Oracle

St. Technical Lead

Location: Bangalore, Noida

Job ID: 9743649

Description: Looking for senior J2EE developers to help build tools that would be key market differentiators.



Amazon Development Centre India Private Limited

Sr Software Development Manager

Location: Chennai

Job ID: 9942965

Description: The ideal candidate will have a Master's Degree or an equivalent and 12+ years experience leading product development teams.



Honeywell

Engineer - Software verification / Testing

Location: Madurai

Job ID: 10066733

Description: Aspirant must have strong working experience in C++ is required. Exposure to ADA is also an added advantage.



Information System Resource Centre Pvt Ltd

Hyperion Financial Management

Location: Pune

Job ID: 9945123

Description: Responsible for HFM Application maintenance including security changes, metadata changes, rules writing & member list maintenance.



Sapient

Senior Associate -.Net Winform

Location: Gurgaon

Job ID: 10072687

Description: The role requires the developer to be a Win forms, middle ware and backend senior developer. The developer needs to have a variety of exposure in middleware, messaging, data layers, ORM etc.



Saba Software India Pvt Ltd

Crystal Report Developer

Location: Pune

Job ID: 9836688

Description: The Crystal Report Developer will Design, develop and maintain management and analytic reports utilizing Crystal Reports XI and SQL.



Polaris Software Lab Limited

Oracle PL/Sql Professionals

Location: Chennai

Job ID: 10067216

Description: Person should have experience of 5 to 8 Years Experience in Oracle PL/SQL. Exp in Banking/ Financial domain is preferred.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Finding the right candidates made
us make the world borderless

Call us Toll free : **1-800-4196666** or email us at sales@monsterindia.com

monster.com

Right Jobs. Right Candidates.



Sales and Marketing Jobs brought to you by monster.com



Cyber Futuristics India Private Limited

Executive - Business Development

Location: Delhi, Noida

Job ID: 9093172

Description: Responsible for identifying, prioritizing and developing new business – BPO & ITES Services through cold calling and other medium of Lead Generation.



Verve Global Services Private Limited

Sales Representative

Location: Bangalore

Job ID: 10067805

Description: Primary Objective: Sell products and services (via telephone, web or mail) to the customer responding primarily through an inbound phone queue.



Novartis Healthcare Private Limited

Business Analytics

Location: Hyderabad

Job ID: 10068007

Description: Major Accountabilities: Develop, produce and update monthly KPI reports for General Medicine Brands –IMS sales and volume analysis, market share, source of business analysis, NRx, TRx trend analysis and reporting.

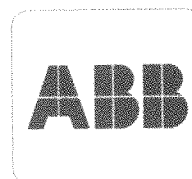


ABB Limited

Business Development Manager

Location: Faridabad

Job ID: 9934673

Description: Acquiring projects for increase business of organization with better profit margins, in compliance to Business Policies.



ADP India

Marketing Communications Executive

Location: Hyderabad

Job ID: 10067267

Description: Role: Coordination with Advertising Agency for Planning, designing and release of advertisements. Coordination with PR agency.



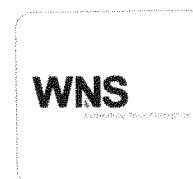
Safenet InfoTech Pvt Ltd

National Sales Manager

Location: Delhi, Noida

Job ID: 9774550

Description: Minimum 7 years of experience, at least 4+ years of experience developing and managing the business. Government Vertical especially working MIT, DIT and NIC.



WNS Global Services Pvt. Ltd.

Telesales Executive

Location: Bangalore

Job ID: 9981975

Description: Looking for graduates with excellent communication skills, zeal for customer service and desire to excel. Undergraduates with at least 1 year of BPO experience can also apply.



Nous Infosystems

Business Development Executive

Location: Bangalore

Job ID: 9959734

Description: The incumbent should have at least 2+ years of hardcore software sales exp in the US / UK markets. He should preferably be an Engineering Graduate or MBA in Marketing or International Business.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

Find the right candidate with Monster's 3 Layer Quality Check



→ Profile targeting

→ Barrier prompt

→ MagicFilter

Try Monster's enhanced Job Posting today. Its one of the many things we do to get you the right candidate.

Call us or email us at sales@monsterindia.com.
Toll free : 1-800-4196666

monster.com
Right Jobs. Right Candidates.



Finance Jobs brought to you by monster.com



Murugappa Group
Credit Manager- Mortgages
Location: Delhi, Gurgaon
Job ID: 8885736
Description: Have underwriting skills. Good knowledge of business / industries of all types. Able to check financial ratios and cash flows. Should underwrite credit proposals.



Newell Rubbermaid
Finance Manager
Location: Chennai
Job ID: 9582074
Description: Provide overall cost accounting and manage responsibilities for plant & distribution center; lead a Finance/Accounting professional team, capital budgeting and accounts payable, driving the implementation of cycle counting for warehouse storage, team.



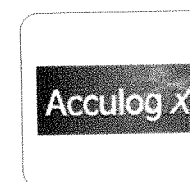
Syntel Inc
Sr. Financial Analyst
Location: Pune
Job ID: 9952291
Description: The candidate should have a good exposure to the financial module of JDE/JD-Edwards.



Deloitte Touche Tohmatsu India Pvt Ltd
Taxation - Manager
Location: Mumbai
Job ID: 10062829
Description: Responsible for: Provide Indirect tax advisory to clients in areas like service tax, customs etc; Handle Compliance work; Contribution in internal meetings on law updates / technical issues etc.



GlobeOp Financial Services, LLC
Manager- Fund Accounting
Location: Mumbai
Job ID: 9874514
Description: The position requires the individual to be client focused and committed to delivering quality at all times. The role will suit someone who thrives on pressure and has a systematic approach to problem solving.



Acculogix Software Solutions Private Limited
Qualified Chartered Accountants
Location: Bangalore
Job ID: 10061871
Description: CA must have experience working with MNCs or larger domestic Indian companies; Have experience in Statutory Audit; Good communication skills required.



Black & White Business Solutions
R2R (FP&A) Budgeting And Forecasting Executive
Location: Bangalore
Job ID: 10044497
Description: Graduates/Postgraduates in Commerce/ICWA/CA-Inter/CA with 2 to 4 years of experience in Financial Planning & Analysis - Budgeting & Forecasting/ Close Management and Tax Reporting/ Financial.



CedarCrestone Software India Pvt Ltd
Executive - Accounts
Location: Hyderabad
Job ID: 9937331
Description: Candidate must have experience in General Accounting including Monthly & Annual close; Awareness of TDS and other general statutory compliance, cost evaluation, Accounts Payable.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

FINDING THE RIGHT CANDIDATE STRESSING YOU OUT?
JUST CALL

1800 419 5666

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com.

We'll get you the right candidate, no matter what.

monster.com
Right Jobs. Right Candidates.



VAN HEUSEN INDIA MENS WEEK

SEPTEMBER 2 - 4, 2011 • NEW DELHI

Cementing India's position as the
4th fashion capital for Menswear in the world,
Van Heusen and Fashion Design Council of India presents
the third edition of the much-appreciated
Van Heusen India Mens Week 2011

September 2 - 4, 2011 at The Grand, New Delhi

Title Sponsor



Good Times Partner



Official Media Partner



Official Partner



Venue Partner



For more information log on to www.fdc.org

Fashion Design Council of India, JMD Regent Plaza, 4th Floor, DLF Phase 1, MG Road, Gurgaon, Haryana, 122001
contact@fdc.org



BGR Energy Systems Limited, a leading EPC Contractor for large power projects has fortified its capability by manufacturing BTG.

BGR Energy has promoted BGR Boilers Private Limited as a Joint Venture with **Hitachi Europe GmbH, Germany** for manufacturing Supercritical Boilers with a rated capacity of 660 MW, 800 MW and 1000 MW.

To lead the Joint Venture and achieve the targeted growth, the company is on the look out for

PRESIDENT

The candidate should be a Graduate Engineer (preferably with MBA) with over 25 years of relevant experience in manufacturing / business operations of high value capital equipments. He should possess strong commercial acumen. Experience in heading a business is desirable.

The company offers attractive growth prospects, challenging job role and a professional work environment.

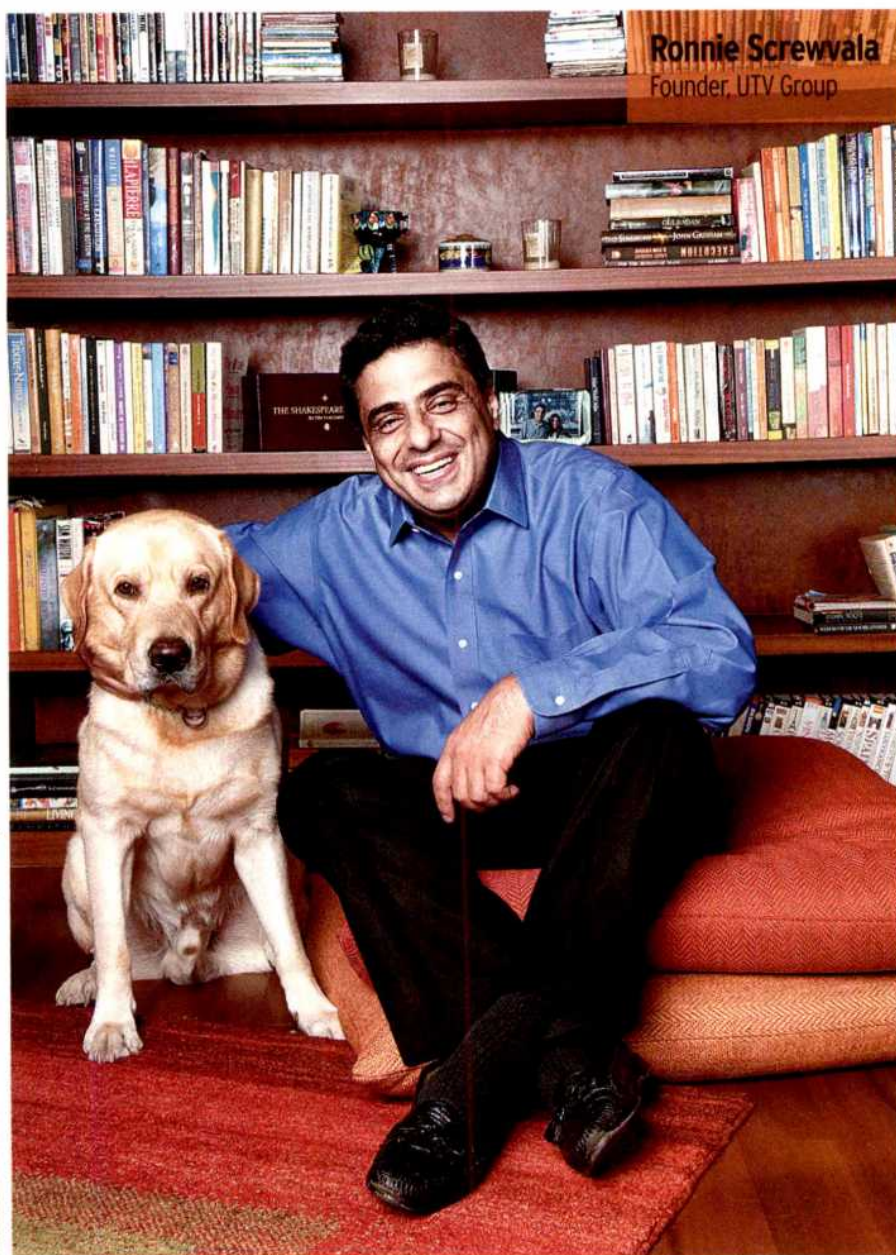
The position will be based at Chennai. Compensation shall be attractive.

Interested candidates may forward their resume to jobs@bgrboilers.com

Once More with Feeling

RONNIE SCREWVALA has done it again. He will be selling his balance 19.8 per cent stake in UTV to The Walt Disney Company, or TWDC. A shrewd businessman behind his affable exterior, Screwvala has developed a pattern of launching business ventures, incubating them up to a point and then selling them at the right time. In the past, Screwvala followed the strategy with the Tamil language Vijay TV, which he later sold to STAR India, and then Hungama TV to TWDC. While Screwvala will lose control of UTV, the bigger development is that he will now become Managing Director of TWDC India.

ANUSHA SUBRAMANIAN



UMESH GOSWAMI/www.indiatodayimages.com



Omar Abdullah
Chief Minister, J&K

Peace and Quiet

OMAR ABDULLAH, Chief Minister of Jammu & Kashmir, must be a relieved man. Summer 2011 has been a peaceful one – so far – for the Valley. A record number of tourists have visited the state – 750,000 this summer. The German foreign office withdrew an advisory against travel by its citizens to the Valley. Government schools are organising science fairs for the first time in many years, and teachers are showing up for training. Companies such as Wipro are identifying graduates and postgraduates under a skills upgradation and employability programme. Yet, no one wants to give credit to Abdullah for the calm. He has, however, won approval for his caution in making statements in contrast to last year.

PUJA MEHRA

No More Speculation

His career as a hedge fund manager spanned more than four decades. Now, in a move that completes his transformation from speculator to philanthropist, **GEORGE SOROS** will be returning around \$1 billion to outside investors in his \$25.5 billion firm by the year-end. Soros Fund Management will now focus solely on managing the assets of Soros and his family, says a letter to investors. It is widely believed that the new US Securities and Exchange Commission disclosure rules are responsible for Soros's latest move.



George Soros
Billionaire investor



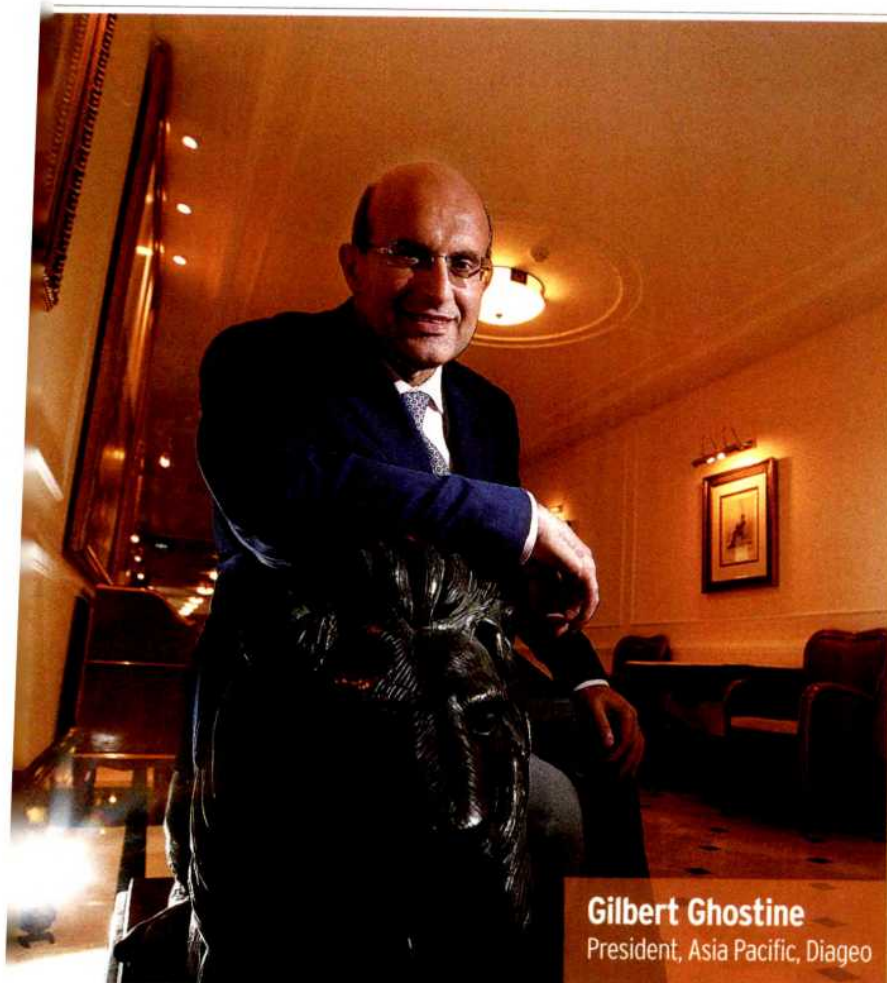
Rajesh Srivastava
CMD, Rabo Equity Advisors

Betting on Food

After netting some good catches in the agricultural space with its \$120 million India Agri Business Fund, Rabo Equity Advisors is now aiming for a bigger fund of at least \$250 million. Says **RAJESH SRIVASTAVA**, 54, Chairman and Managing Director, Rabo Equity Advisors: "The increase in size is due to the scaling of food and agri companies, justifiable growth plans, higher valuations and our appetite for bigger stakes." The confidence comes from having had a good run on the first fund, 80 per cent of which will have been exhausted by the time the second fund is launched. Though the fund has had no exits so far, Srivastava is optimistic. "We are in the midst of one profitable exit and one second round infusion expected to give a large mark up," he says. Now isn't that a perfect recipe? We are waiting for the pudding.

SHALINI S. DAGAR

PARK AVENUE



Gilbert Ghostine
President, Asia Pacific, Diageo

Having Fun at Work

Heading the hottest market at the world's largest liquor company by revenues must be a great job.

GILBERT GHOSTINE admits that work is fun. In Delhi recently to celebrate, among other things, the relaunch of Johnnie Walker Blue Label, one of the top Scotch whisky blends, he was also fascinated by how Indians were now drinking better. "As disposable incomes and opportunities to spend increase, you see more and more Indians trying out new drinks and better drinks," he says. Ghostine's visit was intended to promote something more as well – responsible drinking. "You should drink to enjoy your drink and the time you spend on it. Driving after drinking is a stupid idea," he says.

KUSHAN MITRA

SHEKHAR GHOSH/WWW.INDIAODAYIMAGES.COM

Future Bright

Some key changes are afoot at Future Group, with Kishore Biyani's ace team member **DEVENDRA CHAWLA**, Private Brands Head, Future Group, now also in charge of Food & FMCG. Chawla, 39, is no stranger to success. He made heads turn when he became Coca-Cola India's youngest Area Operations Director at the age of 32 and then within two years a National Director of the company. He then joined Reliance Retail as Vice President. At Future Group, Chawla has launched five private brands in just over two years – including a co-creation with Sachin Tendulkar called 'Sach'. So what if competitors' enthusiasm for private brands is flagging, Chawla is gunning ahead. ♦

SHAMNI PANDE



Devendra Chawla
Private Brands Head,
Future Group

UMESH GOSWAMI



Life
among
people
you'd
like
to be
friends
with.



www.atsgreens.com



PETER C.
MD, SAP Inc

My leader:

- ☐ Delegation
- ☒ Participation
- ☐ Authority
- ☐ All of them

The political
Martin L

The business
Sergey E

The leader
the best
Don't as
are not

A book I w
leadership
The Lea
Jim Kou

The differ
and a lea
Leaders
motivati
manage
organisa
allocatio

As told to K.

Vol. 20, No. 17, for the fortnight August 8 to 21, 2011. Released on August 11, 2011.

Glamour. Chivalry. Imagination



Chivas Regal puts India on the centre stage of the 64th Cannes Film Festival 2011 with Saif Ali Khan, Karan Johar, Miss India World Kanishtha Dhankar & Sabyasachi.

Chivas also launched its partnership with FilmAid with Robert De Niro, President of Jury, Festival de Cannes.

CHIVAS

LIFE AT INDIABULLS GREENS JUST GOT

Presenting CLUB

MOSS



Over 100,
with an extraordinary design and a generous
fitness

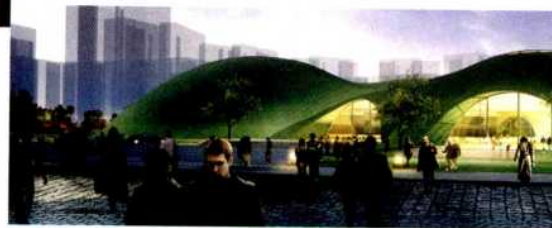


With essentials such as a world-class school, a pr and a host of outdoor sports facilities taken care amenity that will make life at Indiabulls Greens, a c unique amoeba shaped clubhouse with a lush gre extraordinary that the entire structure appears to earth. Even one that possesses a life of its own. Insic in 3 levels to allow more space for each facility unwinding as leisurely and as lazily as they wish outside makes the building not only aesthetical sufficiently insulated from harsh sun, dust and noise

INDIABULLS

greens

Move up in life | PANVEL



Construction on in full swing.

In close proximity
to the proposed international airport.

QI

What to expect in Club Moss Cricket pitch • Cycling and jogging tracks • Tennis, badminton and basketball courts • Squash rooms • Snooker and cards room • TT room • Kids zone • Creche • World-class gym • Spa with Jacuzzi, steam, sauna and massage room • Salon • Pool and toddlers' pool • Meditation corner • Aerobics nook • Music and dance room • Bar counter • Lounging areas • Banquet hall • Party lawn

Indiabulls Greens: Project highlights Well-equipped 1, 2 and 3 BHK apartments • A world-class school with a comprehensive curriculum and extra-curricular activities • A premium medical care centre with advanced facilities and equipment • World-class destination mall with entertainment and recreation facilities • Shopping centres, restaurants, banks, pharmacies and a post office • Thoughtful additions like separate toddlers and children's play areas, and sit-outs for elderly • Dedicated bus service to and from local railway station / bus stand

SALES OFFICES:

Hotel Fortune Select Exotica, Next to Palm Beach Galleria Mall, Plot No. 16, Sector 19-D, Vashi, Navi Mumbai - 400 705.
One Indiabulls Centre, Tower 1 Atrium, Lower Parel, Mumbai - 400 013.

*Conditions apply | 1 sq.mt. = 10.764 sq.ft. | All the specifications, designs, facilities, dimensions etc. are subject to the approval of the respective authorities and the developers reserve the right to change the specifications or features without any notice or any obligation. Images are for representative purpose only.

In
R E A

Toll free: 1
Email at g
or SMS Gr

<http://real>

C-FORE SURVEY RANKS GALGOTIAS AMONG THE TOP INSTITUTIONS IN INDIA FOR 100% PLACEMENT

GALGOTIAS' GLOBALLY BENCHMARKED HIGHER EDUCATION COMPLETELY VALIDATED BY INDUSTRY

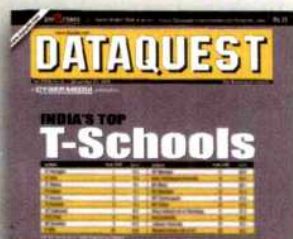
Leading Organizations recognise the dynamic power of Thinking Quotient - the unique quality every Galgotias student develops. The inevitable result when a meritorious and diligent student is superbly taught by a world-class faculty through a globally benchmarked set of pedagogical methods and an industry-guided learning experience.

Which is why every year, we are proud that every single Galgotias student finds an honourable placement in the future growth plans of industrial giants.



OUTLOOK - MDRA SURVEY OF JUNE 2011 RANKS
GALGOTIAS AMONG INDIA'S BEST PROFESSIONAL
COLLEGES

RANKED AS ONE OF 'INDIA'S BEST ENGINEERING
INSTITUTIONS' BY CAREERS 360



GALGOTIAS RANKED AMONG INDIA'S TOP T - SCHOOLS BY DATAQUEST
MAGAZINE YEAR AFTER YEAR.

ASIC (ACCREDITATION SERVICE FOR INTERNATIONAL
COLLEGES), UK, ACCREDITS GALGOTIAS

**THINKING
QUOTIENT**
IS THE FUTURE
PREPARE NOW



ONE PARTNERSHIP. ENDLESS POSSIBILITIES

70 years ago, India chose to take to the skies with Boeing as its partner. Today this partnership has only grown stronger. Whether it's to deliver a modern fleet to our partner airlines, or offer them solutions from fleet utilization to maintenance and training, the result is greater efficiency and comfort for flyers. As this partnership soars, the possibilities of what it will achieve are, indeed, endless.

 **BOEING**

UNDER GRADUATE PROGRAMS

SCHOOL OF ENGINEERING & TECHNOLOGY

- B.Tech / B.Tech (Hons.)* Computer Science Engineering
- B.Tech / B.Tech (Hons.)* Mechanical Engineering
- B.Tech / B.Tech (Hons.)* Civil Engineering
- B.Tech / B.Tech (Hons.)* Electrical & Electronics Engineering
- B.Tech / B.Tech (Hons.)* Electronics & Communication Engineering

SCHOOL OF COMPUTER & INFORMATION SCIENCES

- BCA

SCHOOL OF BUSINESS

- BBA

SCHOOL OF ARTS & SOCIAL SCIENCES

- B.A. (Hons.) Applied Psychology
- B.Lib.I.Sc. Bachelor of Library & Information Sciences
- B.A. (Hons.) Economics

SCHOOL OF JOURNALISM & MASS COMMUNICATION

- B.A. (Hons.) Journalism & Mass Communication

SCHOOL OF FINANCE & COMMERCE

- B.Com. (Hons.)

SCHOOL OF BASIC & APPLIED SCIENCES

- B.Sc. (Hons.) Forensic Science

POST GRADUATE PROGRAMS

SCHOOL OF ENGINEERING & TECHNOLOGY

- M.Tech Computer Science Engineering
- M.Tech CAD/CAM
- M.Tech Structural Engineering
- M.Tech Power Electronics and Drives
- M.Tech Communication Engineering

SCHOOL OF COMPUTER & INFORMATION SCIENCES

- MCA
- M.Sc. (Bioinformatics)

SCHOOL OF BUSINESS

- MBA
- MBA (Health Care Management)

SCHOOL OF ARTS & SOCIAL SCIENCES

- M.A. Applied Psychology
- M.L.I.Sc. Masters of Library and Information Sciences

SCHOOL OF JOURNALISM & MASS COMMUNICATION

- M.A. Journalism & Mass Communication

SCHOOL OF FINANCE & COMMERCE

- M.Com.

SCHOOL OF LAW

- Masters of Law (LL.M.) & Doctor of Law (LL.D.)

Ph.D. / M.PHIL. PROGRAMS

*Option available under Fully Flexible Credit System.

For details of the above and other programs, visit www.galgotiasuniversity.edu.in or call 0120-4370000 or write to admissions@galgotiasuniversity.edu.in. Forms can be filled and submitted online.

GALGOTIAS UNIVERSITY,
Greater Noida.
Established under Galgotias University
Uttar Pradesh Act No. 14 of 2011.
Recognised under the UGC Act.

SPECIAL ISSUE

**INDIA'S TOP
RECRUITERS 122**

business today
man i tomorrow

September 4, 2011
₹30

INDIA'S BEST B-SCHOOLS

Pankaj Chandra,
Director, IIM Bangalore,
with the class of 2012



encl
K.H
23.08.11.



Smart Simple Convenient

Introducing the new Laser & Multifunction Printer.

PRINT | SCAN | COPY **SCX-32016/XIP**

- Full Starter Toner • 16 ppm Speed
- 32 MB Memory • High speed USB 2.0
- 1 + 2 year on-site Warranty*

MRP: ₹ 8,999/-



ML-1676/XIP

- Full Starter Toner • 16 ppm Speed
- 8 MB Memory • High speed USB 2.0
- 300 MHz Processor
- 1 + 2 year on-site Warranty*

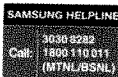
MRP: ₹ 5,499/-



Printing simplified, now that's printelligence

For sales enquiry, please contact: North: Chandigarh/Punjab/J&K/HP-Indrajeet Singh: 09779167603, Delhi -Gurmeet Singh: 09650688664, East Uttar Pradesh-Ashish Mohan: 09935654600, Haryana-Rajesh Arora: 9996632636, Rajasthan-Rajneesh Chandel: 09928996096, Western UP/Uttarkhand- Jitender: 09910013464, East: Bihar- Amit Ojha: 09334485532, Jharkhand- Sanjay Singh: 09771490551, Orissa-Amarjeet: 09937322678, North East-Kaushik Jana: 08420200826, West Bengal-Manoj Ojha: 09051111189, West: Chhattisgarh & Vidarbha-Amit Patil: 09922966624, MP-Vaibhav Kumar: 09755558809, Mumbai-Mohd. Ayyub: 09819812233, Pune/ROM/Goa-Pankaj Jha: 09881123276, South: Andhra Pradesh-Koteswararao: 09848435860, Karnataka-Vinay MC: 09880460391, Kerala-Binu Jose: 09895581228, Tamil Nadu/Puducherry-Dhanashankar: 09840822300

Cheil 0583/11



EASY TONER MANAGEABILITY. EASY TONER AVAILABILITY.

Corporate Office: Samsung India Electronics Pvt. Ltd.
2nd, 3rd & 4th Floor, Tower-C, Vipul Tech Square, Sector-43, Golf Course Road, Gurgaon-122002 Haryana (India)

*Get Additional 2 year warranty on ML-1676/XIP for free & at Rs. 499/- for SCX-32016/XIP. Visit www.printerwarranty.in for more details.

IMPACT TEAM

Senior General Managers: Sonal Pandey (West & South), Sunil R. (Bangalore), Kaustav Chatterjee (East), V. Somasundaram (Chennai), Jitendra Lad (West)

Marketing: Vipul Hoon, General Manager

Consumer Marketing Services: Poonam Sangha, Head; Rajeev Chawla, Sr Manager (Subscriptions & Customer Care); Gurpreet Singh, Sr Manager (Direct Distribution & Operations)

News-stand Sales: D.V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Deepak Bhatt, General Manager (North); V.A. Chotalia, Regional Manager (East); Rajesh Menon, General Manager (West); M. Krishna Kiran, General Manager (South); Rakesh Sharma, General Manager (Operations)



Vol. 20, No. 18, for the fortnight August 21-September 4, 2011.
Released on August 21, 2011.

● Editorial Office (Delhi) 5th Floor, Videcon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-23684812-15; Fax: 011-23684819; E-mail: btdelhi@businessindia.net
● Advertising Office (Delhi) Ground Floor, Videcon Tower, E-1, Jhandewalan Extn., Delhi-110055; Tel.: 011-43120111; Fax: 011-23593380/81; Trade Centre, 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400013; Tel.: 022-24983355; Fax: 022-24982266; Impact office, Trade Centre 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013; Tel.: 022-24983355; Fax: 022-24982266; Chennai 2nd Floor, 99-A, Dr Radhakrishnan Salai, Mylapore, Chennai-600004; Tel.: 044-28478525-41; Fax: 28472178
● Bangalore 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448; 080-20374106; Fax: 080-22218335; Kolkata, 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398; 033-22827726; 033-22821922; Fax: 033-22827254; Hyderabad 6-3-865/7-8, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657; 040-23400479; Ahmedabad 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off C.G. Road, Ahmedabad-380006; Tel.: 079-6560393; 079-6560929; Fax: 079-6562583; 28/145, Kochi, Karakatt Road, Kochi-682 016; Tel.: 0484-2377057; 0484-2377058; Fax: 0484-379962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301. Tel.: 0120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India. Toll free no. 1800 280 100 (from BSNL/MTNL lines); Fax: 0120-4078080; E-mail: wecare@btdelhi.com
● Sales: General Manager Sales, Living Media India Ltd. B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301. Tel.: 0120-4019500; Fax: 0120-4019564 ● 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Malcolm D. Mistry on behalf of Living Media India Limited. Printed at Thomson Press India Limited 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007 (Haryana) and at Plot No. 5-5/A, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708 (Maharashtra). Published at K-9, Connaught Circus, New Delhi-110 001.
● Business Today does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only



For reprint rights and syndication enquiries, contact syndication@btdelhi.com or call +91-120-4078080
www.syndicationtoday.in

From the Editor

Spare a thought for Indian business schools' Class of 2013. These young women and men will be heading out into a world where financial well-being is not guaranteed, the global economy is epileptic, and the view from a management perch is vertiginous.

"The bigger question is, how relevant are we in a changing world?" asks Ajit Rangnekar, Dean of the Indian School of Business in Hyderabad. "How do we move from producing MBAs for financial institutions to producing talent that attacks major problems in society?" Students now think about meaningful careers, not just the instant gratification of a fat pay cheque. "I tell my students I care about how happy they are long-term."

Rangnekar says today's young managers have the chance to make money while doing something good. "For example, skilling five million people is a great business opportunity, or bringing out the value in SME manufacturing... You need one JRD (Tata), you need one Muhammad Yunus, you don't need a million of them."

The greater challenge, Dean Rangnekar feels, is equipping young people to deal with corruption. "How do you identify ethical issues? How do you qualify them? How do you negotiate them? We have to create a community of corruption-busters; then we will begin to see real change." That ought to strike a chord at the Amrita School of Business in Bangalore that mixes spirituality with management (page 106).

Our annual bestseller B-school rankings hold a surprise this year: IIM Bangalore has dethroned its Ahmedabad sister, and the reasons why are very interesting (page 72). In fact, IIM-A is No.3. The news to note is that seven of the top 10 slots have gone to IIMs; quality obviously tells. In other surprises, BT reporters uncovered a trove of heartening stories like the Department of Management Studies at Dhanbad's ISM (page 102), and the growing number of law-and-business courses. You will enjoy reading the spirited debate between a senior banker and the head of IIM Indore on whether business schools are losing sight of what hirers want (page 88). Aware that our rankings are taken very seriously, we also worked with our partner Nielsen to thoroughly revamp our methodology (page 64).

The objectivity and rigour of our survey, which covered 1,732 respondents across 13 cities in five categories, is growing by the year (this is the twelfth time we have ranked business schools). Take the Indian Institute of Foreign Trade in Delhi, which has leapt from No. 17 to No. 11 and then No. 7 this year, showing consistent improvement, or the Symbiosis Centre for Management and Human Resource Development in Pune, which vaulted from 37th to 12th.

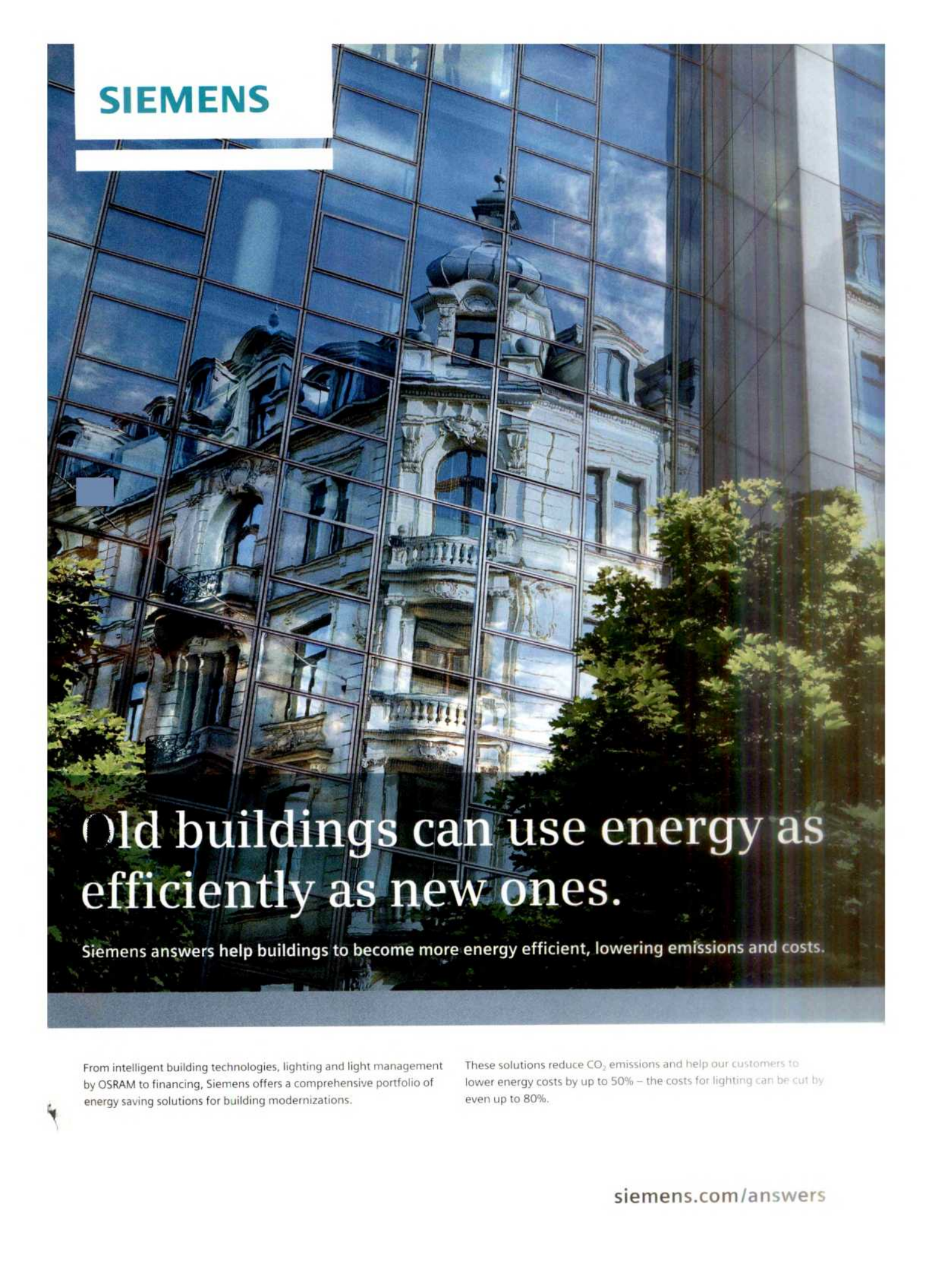
Business Today also very proudly presents India's most sophisticated and comprehensive online business-school package (go to page 120 for the very exciting menu). Our website is a cornucopia of rich content, from exclusive videos of faculty and students, wonderful stories narrated by well-known B-school alumni, and information-packed videos of the Top 10 schools. Go to www.busstoday.in/bestbschools for a deep dive.

As if this collector's edition were not "supercalifragilisticexpialidocious" enough, we also have our annual survey of India's top recruiters (who says we don't give our readers the very best?) from page 122. And there is much, much more to savour. Gorge yourself.

Chaitanya Kalbag

chaitanya.kalbag@intoday.com
www.busstoday.in/editor



The background of the advertisement is a photograph of a modern glass skyscraper. The glass panels of the building act as mirrors, reflecting the facade of an adjacent, older, ornate building with classical architectural features like domes and arched windows. The scene is set in an urban environment with some green foliage visible at the bottom and sides.

SIEMENS

Old buildings can use energy as efficiently as new ones.

Siemens answers help buildings to become more energy efficient, lowering emissions and costs.

From intelligent building technologies, lighting and light management by OSRAM to financing, Siemens offers a comprehensive portfolio of energy saving solutions for building modernizations.

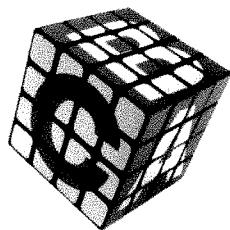
These solutions reduce CO₂ emissions and help our customers to lower energy costs by up to 50% – the costs for lighting can be cut by even up to 80%.

[siemens.com/answers](https://www.siemens.com/answers)



COVER STORY

52 | The Big Shuffle
Business Today's ranking of best B-schools shows major changes from previous years



64 | How We Ranked Them

70 | Rankings Through the Years

72 | In the Spotlight

IIM Bangalore comes out tops in '11

76 | Grappling for Control

B-schools have managed to fend off AICTE's moves to curb their freedom

COLUMN:

80 | R.C. Bhargava,
Chairman, Maruti Suzuki

82 | A Case Fit for Study

Some state university B-schools are among the country's best, but many face constraints such as bureaucracy and poor funding

88 | Are Top B-schools Losing Sight of What Hirers Want?

90 | These Lawyers Mean Business

As regulatory issues become crucial, a combination of law and MBA degrees could be the next big thing

94 | Gung-ho Gurus

Teachers who advise Indian industry are increasingly in demand

98 | Skilling Them Softly

How B-schools are coping with the demand for new soft skills

COVER BY KAPIL. PHOTOGRAPH BY VIVAN MEHRA

THE CHANGE GAME B-Schools on the web

120

Join the Digital Chatter

From exclusive online videos to a Facebook app, we are making it easier for you to get involved in the B-schools' discussion. Vote for your favourite school, browse our detailed school data or share your craziest B-school story. We want to hear from you!

Exclusive school insights

Watch exclusive videos of Deans, Directors and students from our top B-schools. We ask Directors how their schools tackle top rated students what their hardest academics and biggest challenges have been. Starting August 17, we will be adding new videos all week. www.bschoolsontheweb.com/insights

Explore our top 10 schools

Watch videos, hear from experts and read interviews from the B-schools that earn a place in this year's top 10 at the special links below:

1 IIM Bangalore	www.bschoolsontheweb.com/bangalore
2 IIM Calcutta	www.bschoolsontheweb.com/calcutta
3 IIM Ahmedabad	www.bschoolsontheweb.com/ahmedabad
4 IIM Indore	www.bschoolsontheweb.com/indore
5 IIM Lucknow	www.bschoolsontheweb.com/lucknow
6 IIM Kharagpur	www.bschoolsontheweb.com/kharagpur
7 IIT Delhi	www.bschoolsontheweb.com/iitdelhi
8 ISB Hyderabad	www.bschoolsontheweb.com/isb
9 IIM Shillong	www.bschoolsontheweb.com/shillong
10 FMS Delhi	www.bschoolsontheweb.com/fms
11 IIT Jammu	www.bschoolsontheweb.com/iitjammu

102 | Tomorrow's Star

A dark horse emerges in Dhanbad

106 | Mixing Business with Prayer

The Mata Amritanandamayi Trust-run school gives business education a touch of spirituality

112 | And, Finally...

... who came first, what matters most in choosing a B-school

120 | Join the Digital Chatter

From online videos to a Facebook app, we are making it easier for you to take part in the B-schools' discussion

122 | India's Top Recruiters

Sixteen B-schools, 10 engineering colleges, 3,119 job offers. A look at the top 25 hirers from professional institutes in India

CHIAROSCURO

14 | Quick takes on major events of the last fortnight

FOCUS

16 | Good, Bad and Ugly
The new takeover code tries to juggle the interests of different stakeholders, say Nishchal Joshipura and Arun Scaria

18 | Policy

19 | Finance

20 | Tech Review

24 | Graphiti: Banking on Tech

26 | Interview with Karin M. Finkelston, Vice President, Asia Pacific, IFC

28 | Etcetera

FEATURES

30 | Ending Stasis
The churn on global equity markets is the perfect setting to usher in institutional reforms in India

38 | This, too, Shall Pass
As in 2008, investor sentiment has been hit by the global crisis, but India is likely to absorb the shock

COLUMNS

40 | Shubhada Rao: Lessons for India from the Global Crisis



42 | Chaitanya Kalbag: Lemmings or Llamas?

44 | Dipen Shah: Rate Regime Gear Change Answer to Muted Earnings



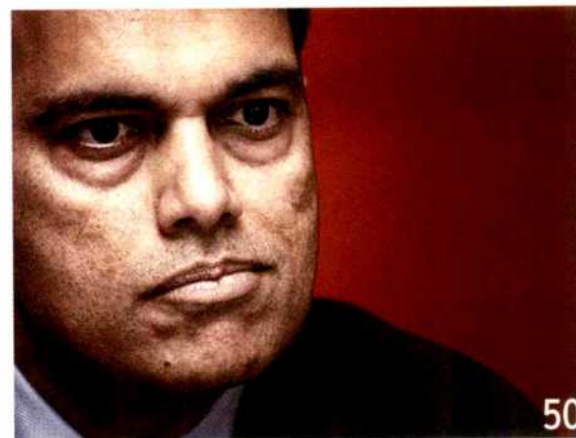
46 | Wring Tone
Reorganisation at Bharti Airtel could return it to its vibrant past but only if the cellphone services market gets less bloody



38



46



50

50 | In Need of Some Steel
Iron ore supply is not the biggest problem before JSW Steel. Sajjan Jindal needs strong nerves to handle the Lokayukta's charges

140 | HBR Exclusive: Strategies for Learning from Failure

LBNL

152 | The Hilsa Index
High prices this year break the hearts of Bengalis

BT DRIVE

156 | Swift Change, Buzz Intact

Maruti transferred the Swift waitlist from the old product to the new

BOOKEND

158 | How to Improve Corporate performance

Bernd Vogel talks to N. Madhavan about new ways of harnessing organisational energy

EXECUTIVE HEALTH

160 | Seeking Balance

JOBS

161 | Get Paid to Study

166 | PEOPLEBUSINESS

Deepak Ohri of Lebua Hotels and Resorts; Ameera Shah of Metropolis Healthcare; Andrea Jung of Avon; Jocelyn Vigreux of TomTom India; and Mohamad Ali of Avaya

LEADERSPEAK

170 | A. Mahendran, MD, Godrej Consumer Products



156

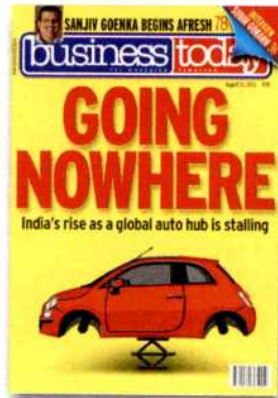
Can India actually become a hub of low-cost auto manufacturing? After reading your cover story (*Rough Ride*, August 21), one is not very optimistic. Where does the problem lie? It lies in the domestic market, what with the rise in the cost of raw materials—steel, rubber and plastic—which make up most of a car. The interesting bit, though, is that despite sales of cars going down, growth still continues.

P. Ghai, Chandigarh

The interview with RBI Deputy Governor Subir Gokarn (*No Reason to Change the Policy We Have Adopted*, August 21) has skillfully rolled out the details of the policy interventions of the central bank to restrain the inflationary pressures hurting the economy. The frequent interest rate calibrations do not augur well for the future of the economy as cascading monetary moves will dissipate the confidence of the investors. The Indian economy needs to be fortified vigorously to inspire renewed faith, especially in the wake of Standard and Poor's downgrade of the United States.

B. Rajasekaran, Bangalore

The food contract industry is in early stages in India, with huge potential to grow in the near future (*Thought for Food*, August 21). By providing quality



The interesting bit, though, is that despite sales of cars going down, growth still continues. So, there is light at the end of the tunnel, after all

HOSPITALITY Med Managers

Thought for Food

That is what MNCs have on their minds as they devour the opportunities in India's food contract and support services sector.

[illegible]

and hygienic food to its employees, a company can, in turn, create a greater bonding with them, boosting their efficiency level. The only thing which will determine profit and loss for these food supplying companies is the sustainable quality of the food.

Bal Govind, Noida

The controversial Lokpal Bill has been referred to a Standing Committee of Parliament. But both the Houses should change their age-old rules, which continue with the secrecy clause that makes the proceedings of Standing Committees confidential. As the Centre has formed a joint drafting committee for the Bill, many people are likely to send their representations before the panel.

Subhash Chandra Agrawal, Delhi

www.bbusinesstoday.in/coverstory: *Rough Ride* (August 21) looks at auto manufacturers focusing on the volatile domestic market

www.bbusinesstoday.in/coverstory: *The Shock Around the Corner* (August 7) takes a look at India's grim energy scenario

▷ **React to articles in BT**

- ▷ React to articles in BT
 - ▷ Suggest story ideas
 - ▷ Share your experience as consumer or SME
 - ▷ See what others have to say on our stories
- on scrapbook at www.businesstoday.in



WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor,
E-1, Jhandewalan Extension, New Delhi-110055.
E-mail: letters.bt@intoday.com
Website: www.businessday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity
and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57,
Noida (U.P.) - 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900
(Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

BOSE

3 wires
2 speakers
1 system



Presenting the **Bose® 3.2.1™ GS**
DVD Home Entertainment System

Experience enhanced home theatre sound from almost anything you watch, with greater simplicity, than traditional home theatre systems.

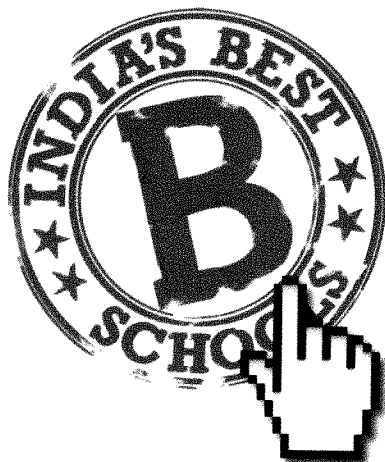
- Simplified setup: Just 3 wires and a power cord
- Delivers immersive home theatre sound
- Two Gemstone® speaker arrays
- DVD/CD player with HDMI output and AM/FM tuner
- Video upscaling upto 1080p
- A hideaway Acoustimass® Module



Shop online at www.Boseindia.com

Visit us at BOSE Stores in Ahmedabad • Bangalore • Chandigarh • Chennai • Delhi • Ghaziabad • Gurgaon • Hyderabad • Jaipur • Kolkata • Ludhiana • Mumbai • Noida • Pune or visit us at select CROMA outlets in Delhi • Mumbai • Bangalore

Vote, Share, Watch Best B-schools



Our best business schools' list is now online! Vote for your favourite, share your stories and watch exclusive videos. See page 52 for more information on what's waiting online.

businessstoday.in/bestbschools



Web Exclusives

US Debt Crisis Coverage

BT's Rajiv Bhuvra tracks global markets as they react to the US debt crisis and ratings downgrade. Every day.

businessstoday.in/usdebt



Holding out for a Hero

Kushan Mitra was on hand when Hero Moto Corp, now sans its Japanese major, unveiled its new logo in London.

businessstoday.in/hero

Blogs



Making Sense

SEBI's refreshed takeover code recalls the law of the jungle, says Anand Adhikari

» businessstoday.in/anand



Surround Sound

M-Satyam tries to assure its US clients that everything is business as usual, says E. Kumar Sharma.

» businessstoday.in/kumar



Word Mentality

Uma Asher on the "Indianism of the Week" – phrases and words that are unique to Indian English.

» businessstoday.in/uma



Chatterati

Tamil Nadu's spending spree is hurting business prospects, says N. Madhavan.

» businessstoday.in/madhavan



Shot Down

Vivan Mehra explains how to take good holiday photos.

» businessstoday.in/vivan



Umbrella Blog

Priyanka is not the only Bollywood starlet to try her luck at singing, says Anusha Subramanian.

» businessstoday.in/anusha

Start-up Today

How start-ups can use social media, and how a firm found opportunity in tragedy.

businessstoday.in/startuptoday

Letter from the Editor »

businessstoday.in/editor

UTILITY TOOLS

> Risk Calculator

Analyse your risk tolerance and decide your investment approach.

> Tax Calculator

Find out how much tax you need to pay depending on your income and investments.

> Education Plan

Calculate and plan for your child's expenses.

ON MOBILE

Hot New Management Tip

Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON- THE-MOVE QUESTION

Is IIM Bangalore the best business school in India?

Type "BTPOLL Y" for Yes.

Type "BTPOLL N" for No.

SMS to 52424

Readers can also participate in the poll at www.businessstoday.in
Powered by Zergo India
www.zergo.com

e-newsletter

Register for free and subscribe to *Business Today's* e-newsletter.
businessstoday.in

Read Now on

ZINIO: businessstoday.in/zinio

KINDLE: businessstoday.in/kindle

> Retirement Plan

Find out how to maintain your current lifestyle after retirement.

> EMI Calculator

Know how much equated monthly installment you will pay on your loan.

> Business Tips

Hot tips to keep you ahead of rivals in business.



The
founders
of
change

keep reaching

are
people
like
you.

Let us accompany you with financial solutions
for all your banking and investment needs.



BNP PARIBAS | The bank for a changing world

bnpparibas.co.in

BNP Paribas is a scheduled commercial bank in India.

Business meets class.



The all-new lightweight Audi A6. The best of business luxury.

The all-new Audi A6 creates a class of its own; the class of business luxury. It's equipped with quattro® – our revolutionary permanent all-wheel drive – and the dynamic TDI and FSI engines. Along with features like the intuitive MMI® touch, lightweight aluminium hybrid construction and all-LED headlights, the new Audi A6 merges practicality with indulgence as you travel, be it to the boardroom, the golf course or the private tarmac.

Adaptive air suspension | Audi parking system with rear view camera | quattro® | MMI® touch | Aluminium hybrid construction

Audi Finance To book a test drive, visit audi.in  facebook.com/audiindia Accessories shown may not be a part of standard equipment.

Authorised Dealers: Ahmedabad: 0 9998600030 Bangalore: 080 28521547 Chandigarh: 0172 3088888 Chennai: 044 45600456 Delhi: 011 46007300
Mumbai West: 0 9004077777 Pune: 020 41004747 **Audi Call Centre:** 1-800-103-6700, 1-800-209-6700



Audi
Vorsprung durch Technik



Gurgaon: 0124 4510200 Hyderabad: 040 23324545 Jaipur: 0141 2370434 Kochi: 0484 4147777 Kolkata: 033 40156666 Ludhiana: 0161 3088888
Creativeland Asia



REUTERS

Dealing with the Downgrade: The Great American Dream has not exactly ended, but economists, policy makers, traders and the public are spending some sleepless nights trying to figure out whether all is well with the world's economic superpower.

Markets

World markets went into a tail-spin, after Standard & Poor's downgrade of the US sovereign credit rating from AAA to AA+ on August 5. Stocks in the US and Asia, including India, were on a rollercoaster ride. Markets in Europe, where many governments were already battling debt problems, turned even more nervous. In India, the demand for government bonds has gone up, and the rupee has come under pressure. Gold is perceived as a haven for investors. On August 9, the precious metal crossed ₹26,000 per 10 gm in India, the world's biggest gold consumer. Still, the only silver lining appears to be a softening of crude oil prices. With the world economy expected to slow down, lower oil demand could keep prices below \$100 a barrel – and mean lower petrol prices in India. To keep India's growth story intact, industry body Ficci wants RBI to cut interest rates and provide the necessary stimulus to the economy. (See *This, Too, Shall Pass*, Page 38)

The pharma sector's top firms, Ranbaxy and Cipla, have reported lower quarterly profits due to higher costs and fewer exclusive sales. Ranbaxy reported a dip in profit of about 25 per cent to ₹243.2 crore for the April-June period. Sales were marginally up at ₹2,062 crore from ₹2,039 crore. Cipla's profit dipped 1.6 per cent to ₹253.34 crore while sales were up 9.2 per cent to ₹1,573.81 crore.

Britannia Industries is in revamp mode. Chairman Nusli Wadia recently said the company will reduce the number of subsidiaries. For the June quarter, Britannia's net profit jumped 27 per cent to ₹42 crore, while sales increased 21 per cent to ₹1,106 crore. While its UAE and North African operations have been affected by political turmoil, Britannia is eyeing a bigger share in South East Asia, Africa, Australia and the US.

Corporate

This results season has been a mixed bag for India Inc. (See *Rate Regime Gear Change Answer to Muted Earnings*, Page 44) Among the many who beat market expectations is India's top utility vehicle maker Mahindra & Mahindra, which reported an eight per cent rise in net profit at ₹605 crore. Net sales rose 30 per cent to ₹6,673 crore. M&M sold 44,407 utility vehicles, a growth of 14.3 per cent compared to the industry's 5.1 per cent.



London's ability to host the 2012 Olympics is being questioned after waves of rioting in British cities. Commercial premises were affected badly, and London's worst riots since the 1980s are expected to cost tax payers £100 million.

Rajat Gupta, the former Goldman Sachs director accused of providing insider tips to Galleon hedge fund boss Raj Rajaratnam, has secured a breather. The Securities and Exchange Commission has dropped its civil administrative proceedings against Gupta after a judge upheld his petition that the SEC was being discriminatory since it had taken others in the same case to a federal court. Administrative proceedings limit a defendant's ability to fight back.

General Motors has raced past Toyota Motor and Volkswagen to become the world's largest automaker. GM sales rose 8.9 per cent to 4.53 million units in the half-year ended June 30. This compares with 4.13 million units for Volkswagen and 3.71 million units for Toyota. India's car exports, meanwhile, jumped 40.83 per cent in July, thanks to better demand from non-European nations.

China's famed copy-cats have produced their own version of Apple's iPhone 5. It sells for 200 yuan or ₹1,300. Chinese are lovingly calling it 'hiPhone 5', which is based on leaked images of yet-to-be-launched iPhone5. It is thinner and lighter than the iPhone4.

Corporate

Ajay Piramal-led **Piramal Healthcare** has struck a deal to buy from Essar Teleholdings a 5.5 per cent stake in Vodafone Essar, for \$640 million. The deal values Vodafone Essar at \$11.6 billion, compared to the \$16-billion valuation by Vodafone Plc when it agreed to buy Essar Group's stake this year. Piramal's stake will help Vodafone meet regulatory norms: foreign firms can hold only up to 74 per cent in Indian telecom firms.

Larsen & Toubro, which walked away with the coveted *BT Best CFO* award (See *India's Best CFOs*, *BT*, July 24), has bagged big-ticket orders from the UAE and Thailand. Its order book in the hydrocarbon sector has now grown to ₹18,000 crore. The order from Abu Dhabi Gas Industries for its Habshan-Ruwais-Shuweihat gas pipeline project was worth \$189 million. The other order was for \$450 million from ADMAOPCO, a subsidiary of ADNOC and a major producer of oil and gas in the UAE. L&T has also been awarded a \$250-million contract from PTTEPI, a Thailand government owned oil and gas major.

The partnership between **Eastern India Hotels and Reliance Industries** is blooming. EIH Chairman P.R.S. Oberoi announced plans to develop hotel properties in Bangalore and Goa in partnership with Reliance. The new takeover norms also make it easier for RIL to hike its stake in EIH. In August 2010, Reliance bought 14.98 per cent in EIH, to stop rival ITC, which holds 14.8 per cent, from wresting control of EIH.

180 tonnes

Gold bought by central banks of emerging markets so far in 2011. This compares with 73 tonnes purchased by them in 2010.

₹7.76 cr

Expenditure for estimating unaccounted income/ wealth within and outside India. The study, likely to be completed in 18 months, is being conducted by the National Institute of Public Finance and Policy, National Institute of Financial Management and the National Council for Applied Economic Research.

\$8 bn

External commercial borrowings by Indian companies in April-June 2011, against \$5.30 billion in the corresponding period last year. A low interest rate overseas is increasing India Inc's appetite.

Economy

The government has not set any **specific economic growth target** for 2011/12 and 2012/13, the Lok Sabha was told. According to the Prime Minister's Economic Advisory Council, India will grow by 8.2 per cent this year.

If the collections of **indirect taxes** so far are any indication, there is no slowdown in the economy. The July indirect tax collection was up 16.4 per cent from a year ago. In April-July, the tax kitty surged 27 per cent from a year ago. The indirect tax revenues were estimated at ₹4 trillion, an increase of 17.3 per cent over the revised estimates of 2010/11.

Mamata Banerjee, West Bengal's Chief Minister and the ruling UPA coalition's chief ally, has wrangled a **₹21,614-crore financial package** for the state. Of this, ₹9,240 crore is the actual grant, while the state government has to raise ₹12,374 crore from the market.

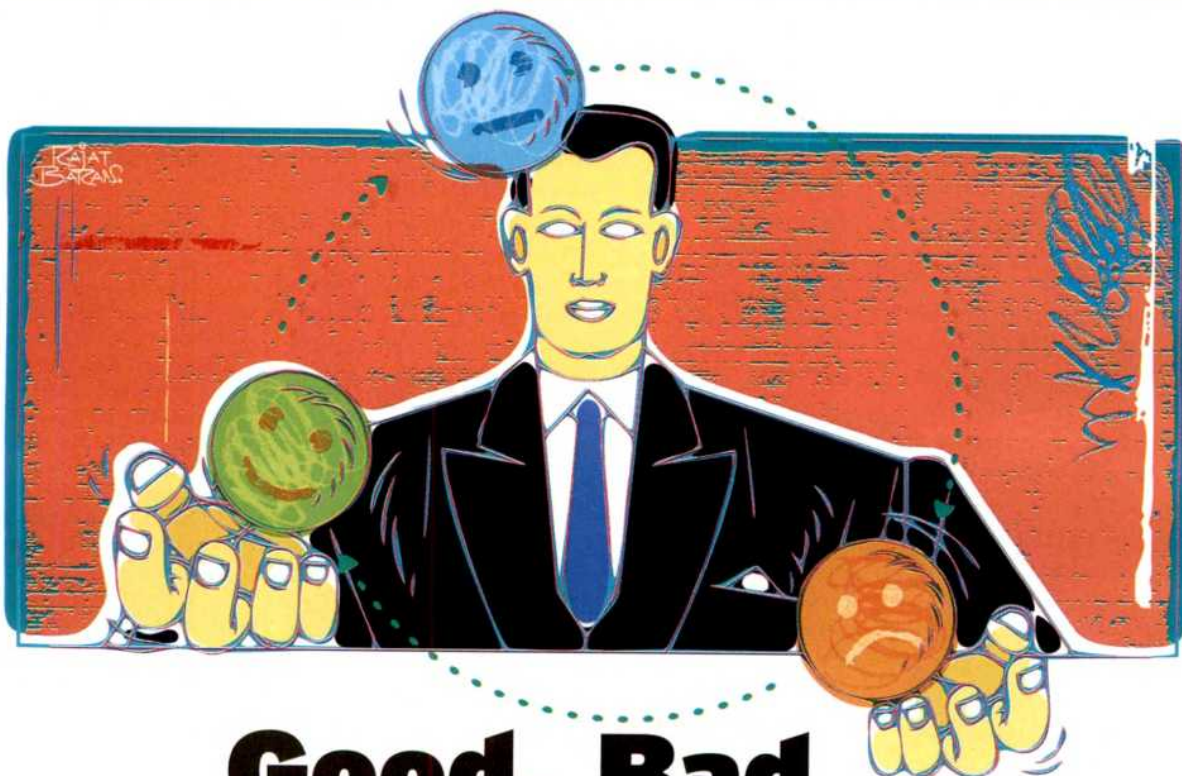
Coming Up

A new British Bribery Act, which came into force on July 1, opens companies operating in England to criminal liability for paying and receiving a bribe, bribing a foreign public official, and failing to put internal systems in place to prevent bribery. Apart from a hefty fine, punishment includes imprisonment up to 10 years. So, how will this law impact Indian companies? A company with headquarters in India is now answerable to the British Serious Frauds Office even if its subsidiaries in another country had indulged in bribery, and this meant loss of business to British firms. The Tatas, Essar, and a host of smaller Indian companies have operations in the UK.



FOCUS

18 Second Wind
19 Better Than Nothing
24 Banking on Tech
28 No Kidding



Good, Bad and Ugly

The new takeover code tries to juggle the interests of different stakeholders, say NISHCHAL JOSHIPURA and ARUN SCARIA

Last month, the Securities and Exchange Board of India, or SEBI, approved the recommendations of its Takeover Regulations Advisory Committee, or TRAC, with some modifications. Interestingly, it has played the good cop and the bad cop with equal élan. Although the complete text of the revised takeover code is awaited, the key changes pertain to the initial threshold for takeover triggers, the minimum

size of the mandatory open offer, non-compete fee, competitive bids, voluntary offers to shareholders, mandatory approval from the board of the target company, and delisting.

The initial takeover trigger points in the UK, Singapore, Hong Kong, the European Union and South Africa are in the range of 30 to 35 per cent, at which level a potential acquirer can exercise *de facto* positive control over a company. SEBI has increased the initial

trigger point from 15 per cent to 25 per cent, as most Indian firms are controlled by shareholders with 25 per cent to 30 per cent holding and special resolutions can be blocked above the 25 per cent threshold.

This increase in the threshold should excite private equity players and strategic acquirers. Earlier, investors had to limit their stake to 14.99 per cent in a company and had no say in its affairs. Now, an investor can acquire up to 24.99 per cent in a company without making an open offer and can also comfortably block special resolutions of the promoters with some scattered support. For Indian companies, wooing investors will become a lot easier now.

While the new code augurs well for investors and target companies, it exposes the promoters of Indian companies to hostile bids. It is no secret that the promoter shareholding in most Indian companies is in the range of 20 per cent to 40 per cent. An acquirer can now gatecrash the promoter's party by acquiring in excess of 25 per cent in a private transaction and thereon acquire 26 per cent in the open offer, the new mandatory limit – it was 20 per cent earlier. This will compel promoters to constantly watch their backs as well as ensure the highest corporate governance standards in their companies.

Owing to industry pressure, SEBI has now fixed the open offer size at a minimum 26 per cent of the voting capital. The TRAC had proposed to increase the open offer size to 100 per cent in line with the UK code, but that could have made the takeover process exceedingly expensive for the acquirers. Especially for Indian acquirers, this move could have proved fatal, as Indian banks do not provide financial assistance for acquisitions. Fixing the offer size at 26 per cent will make the open offer process an affordable one for

strategic acquirers and also create a level playing field between Indian acquirers and their foreign counterparts.

However, it is a huge setback for the public shareholders as they are not guaranteed a complete exit even if they tender all the shares in the open offer. Since the acquirer is required to acquire at least 26 per cent (and not the balance), public shareholders may get stuck in the target company after the open offer with part shareholding.

The revised code ignores the efforts of promoters of Indian companies in building value for the companies. Acquirers now will not be required to pay any non-compete fee to the promoters unless the offer price paid to the shareholders is revised to that extent. While this may be unfair to the exiting promoters, it upholds the basic objective of the takeover code – provide equitable treatment to all shareholders.

TRAC had recommended automatic delisting of the target company if the acquirer's shareholding exceeds the 90 per cent delisting threshold through the open offer, and the intention to delist has been declared upfront. SEBI has rejected this proposal much to the displeasure of acquirers who plan on 'going private' in India.

Evidently, SEBI has carefully attempted to juggle the interests of all the stakeholders and strike a balance that is not very easy to achieve. As always, the market reaction seems to be mixed ranging from excitement to displeasure. But what is certain is that the Indian takeovers scene is set to see a lot of action – good, bad and ugly.

Nishchal Joshipura is head of Mergers & Acquisitions & Competition Law Practice Group; and Arun Scaria is Associate, Mergers & Acquisitions Practice Group, Nishith Desai Associates

JOSHIPURA AND SCARIA'S TAKE

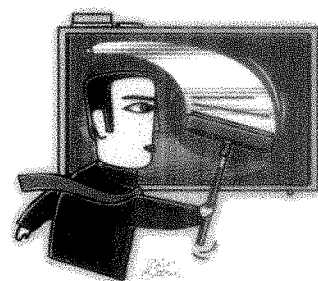
The new Takeover Code tries to balance interests of all stakeholders

While it makes wooing investors easy, it exposes Indian promoters to hostile bids

It seeks to create a level playing field for Indian acquirers by fixing the open offer size at 26 per cent

But the open offer rule fails to ensure a complete exit for public shareholders

WORDSMITH (NEW WORDS IN BUSINESS)



Washup

What it means:

A washup is a follow-up discussion after an important incident to suggest improvements or resolve difficult situations at work.

Origin:

Although the noun has been around for centuries, its usage in corporate houses began in the 1990s, when several business concepts were being worked on.

Usage:

"The boss has called for a washup meeting."

Second Wind

As another global financial crisis looms, RBI Governor D. Subbarao gets a two-year extension. By RAJIV BHUVA

Unlike the huge 50 basis point hike in key policy rates he announced in July, the two-year extension granted to Reserve Bank of India Governor Duvvuri Subbarao was not entirely unexpected.

The soft-spoken Subbarao, 62, had displayed a hard-nosed approach in dealing with the global financial crisis that unfolded soon after he moved into the corner office at the RBI headquarters in Mumbai on September 5, 2008.

Today, when the global economy faces its worst challenge since 2008, few could have ignored his record in effectively managing liquidity during the height of the financial crisis, least of all Prime Minister Manmohan Singh. "I am happy that the government has reposed its confidence in me at this difficult juncture in the world economy," was the brief response from the finance ministry veteran.

Subbarao has taken RBI through exciting times and 180-degree turns in policy management in the past three years. In order to cut off-cycle rate revisions, monetary policy reviews began to be conducted eight times a year from the quarterly cycle earlier. When the government first mooted the idea of a super regulator in the aftermath of the financial crisis for better coordination amongst regulators, Subbarao strongly fought for RBI's independence. He also recently took the government head-on over the issue of managing inflation, saying monetary policy works efficiently only when the fiscal situation is under control.

However, one thing that stayed ahead of this marathon runner for most part of his tenure as RBI chief was high inflation. It has persisted in high single digits despite eleven rate hikes over the past 15 months, fuelling criticism that Subbarao was always "behind the curve". He may now finally win the race against inflation given the global fall in commodity and crude prices. The rise in both in the recent past had largely queered the pitch for him.



Subbarao has taken RBI through exciting times and 180-degree turns in policy management in three years

Better Than Nothing

The ₹100-fee for mutual fund distributors may not be enough. By MANU KAUSHIK

What's proposed?

Market regulator Securities and Exchange Board of India, or SEBI, recently allowed mutual fund distributors to charge investors a fee of ₹100 for an investment of ₹10,000 and above and an extra ₹50 from first-time investors. Those who buy schemes directly from fund houses will not be charged any such fee. For systematic investment plans, or SIPs, which require a fixed sum to be invested at regular intervals, the fee can be recovered in three to four instalments. This fee will be in addition to the existing commissions permissible to the distributors.

What will change?

The move is expected to boost retail participation in mutual fund schemes, which have seen a tepid growth since the 2009 ban on entry load, an upfront commission paid to distributors on the total value of a transaction. The ban made selling mutual funds unattractive, impacting their sale amongst retail investors. In 2010/11, the total assets under management, or AUM, the total investments managed by fund houses, fell 3.54 per cent to ₹5.92 trillion from ₹6.13 trillion a year ago, mostly due to a sharp fall in the retail base. "Mutual funds account for barely four per cent in the investment portfolio of households. SEBI wants to favour agents in their efforts to increase the retail investor base," says Surajit Misra, National Head (Mutual Funds), Bajaj Capital, a large

distributor of mutual funds. A large number of independent financial advisers, who had shut shop in the past two years – their number has nearly halved from around 40,000 before the ban – could also return.

What is the problem?

The quantum of incentives for distributors is much smaller this time. In the days of entry load, they used to get an upfront commission of 2.25 per cent on every transaction. For instance, a ₹10,000 investment into an equity scheme fetched them ₹225. "We are [now] directly competing

with insurance firms that are now also offering shorter duration schemes. If the insurance industry gives them better deals, distributors will push their products. We need a level-playing field," says Debasish Mallick, MD & CEO, IDBI Asset Management. "Also, in a small town or semi-urban areas, ₹100 can be a decent amount, but not in a place like Mumbai where the cost of providing basic services is high," says Bajaj Capital's Misra. The new regulation could also encourage unfair trade practices, as agents may be tempted to split large-size investment of clients into various smaller ones in order to maximise their fee income.

Global experience: In Australia, Britain, South Africa, and the United States, there are front-end load schemes that charge distribution fees from investors at the time of purchase of mutual funds.



It takes a leader
to run a nation.



India's Most Preferred* Lubricant

From Automotive Oils to Industrial Oils, from Marine Oils to Agricultural Spray Oils and from Speciality Oils to Greases, **SERVO** from IndianOil continues to power virtually every walk of life, making it the No.1* lubricant brand in the country by choice*.



Automotive Oils | Industrial Oils | Marine Oils
Greases | Speciality Oils

TWO MORE TABLETS IN AN ALREADY CROWDED MARKET



Shows Android tablets have a bright future



The present Android tablets could do with a tad more

Price: ₹32,990 (32GB, WiFi); ₹39,990 (32GB, WiFi+3G)

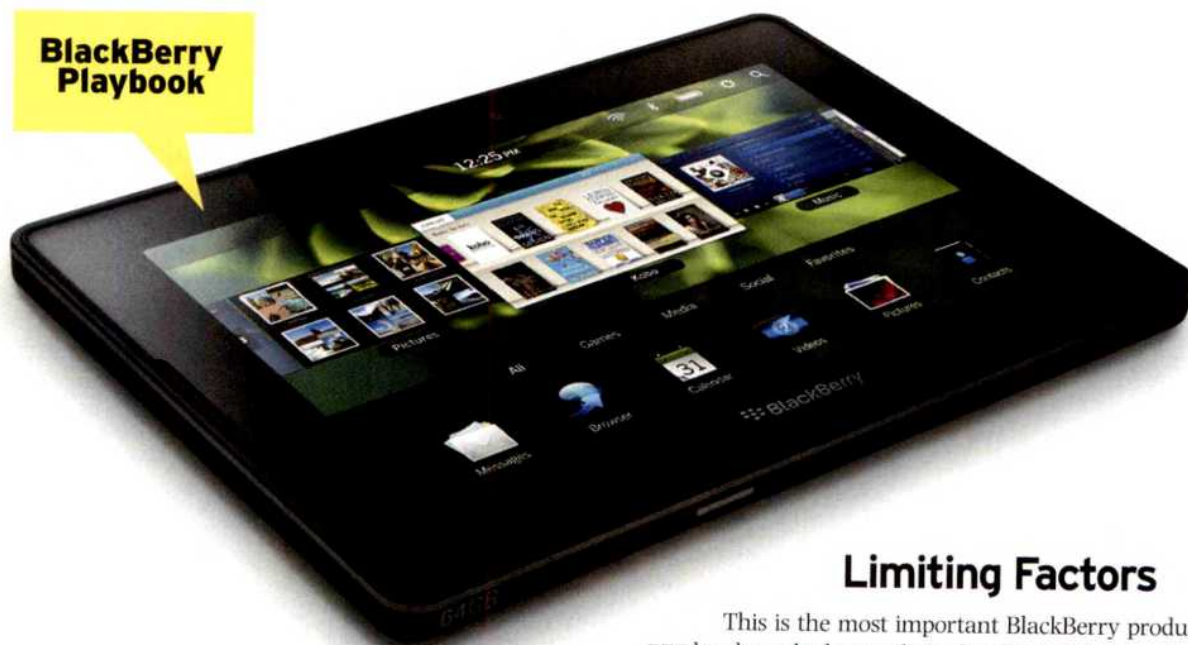
Losing Out to the iPad

Even though the application store for Android devices running the 'Honeycomb' version of the operating system optimised for tablets is better than the one for the Playbook, it is still slim pickings compared to the iTunes application store. That said, Google's in-house applications, particularly the ones for Gmail and Google Talk, are brilliant. The Xoom does highlight that the latest generation of Android tablets are very close to the iPad in terms of performance and, potentially, applications. But since it costs as much as or even a bit more than the iPad, it loses out, at least right now, to the Apple tablet.

Motorola Xoom



BlackBerry Playbook



Great cameras, good calculator application, innovative operating system



Email does not work without BlackBerry Bridge, limited applications

Price: ₹27,990 (16GB, WiFi); ₹37,990 (64GB, WiFi)

Limiting Factors

This is the most important BlackBerry product that RIM has launched recently. Its hardware is impressive. Also, the QNX (pronounced 'kinnix') software that powers the tablet is surprisingly zippy. We will not get into a debate over its screen size, though. Still, the Playbook has some fatal flaws, not the least of which is BlackBerry Bridge, which means that the office productivity apps will work only when the Playbook is paired with a BlackBerry device. This is a limiting factor in itself, and coupled with limited applications, makes the Playbook quite lonely.

In the price range these products are, the iPad 2 is still top dog. If they were any cheaper, though, value-for-money maths could topple Apple off the perch.

KUSHAN MITRA

— ✂ —
*How are you going to return all the
sleepless nights someone spent on a presentation?*

— ✂ —
Hardwork deserves a return gift. Make it a Sheaffer.



SHEAFFER®

The gift that matters

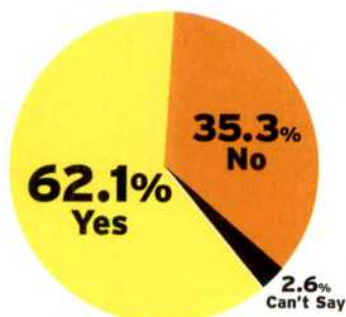
Featured here, the Sheaffer Legacy in black lacquer, with a 22K gold plate trim and a polished palladium plate cap. A gift for all occasions.

WILLIAM PENN®

THE WORLD PEN STORE

Mumbai: Grand Galleria, High Street Phoenix Ph: 40041252 | Inorbit Mall, Malad Ph: 28785818 | Inorbit Mall, Vashi Ph: 40131495 • **Bangalore:** The Forum Mall Ph: 32721999 | Garuda Mall, Magrath Road Ph: 41127993 | Koramangala Store Ph: 40535555 | Mantri Square Ph: 22667315 • **Chennai:** Express Avenue Ph: 28464018
Delhi: Select CITYWALK Ph: 40534512 • **Pune:** Inorbit Mall Ph: 66141779 • **Airport Stores:** Delhi | Mumbai | Hyderabad | Bangalore • **For corporate enquiries, call Bangalore:** 09845987272 | **Delhi:** 09310164936 | **Mumbai:** 09167210170 | **Hyderabad:** 09963426632 | **Kerala:** 08129437383 | **Kolkata:** 09903032137 | **Chennai:** 09962085085
Shop Online www.williampenn.net | info@williampenn.net | www.facebook.com/WilliamPennStores

IS INFLATION BEYOND THE GOVERNMENT'S CONTROL?



Results of BT online poll;
No. of respondents: 139

A majority of respondents has voted in favour of the proposition, reflecting the widespread exasperation with persistently high all-round inflation. Though no longer in the double digits seen last year, headline inflation has stayed in the high single-digit range this year despite a volley of interest rate hikes by the RBI. The basis for such a view can be two-fold. One, people believe the government has done everything it could to contain inflation. Even the Prime Minister admitted as much recently. Two, they have come to realise that high inflation is here to stay and there is no point in blaming anyone for it.

Next poll question:

Will a selective hike in diesel prices for car owners be feasible?

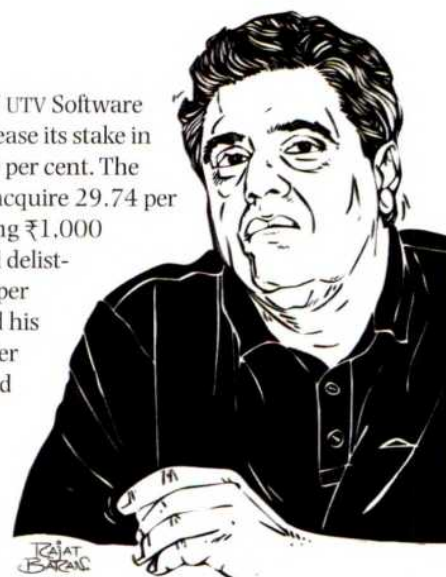
Log on to
www.businesstoday.in

BT-ERNST & YOUNG

DEAL WATCH BIGGEST DEALS IN THE PAST 30 DAYS

Ronnie Screwvala

Walt Disney has announced the buyout of UTV Software Communications Limited, which will increase its stake in UTV from 50.44 per cent at present to 100 per cent. The company plans to sign a delisting offer to acquire 29.74 per cent from the public at a price not exceeding ₹1,000 per equity share. In the event of successful delisting, Disney will buy the remaining 19.82 per cent from promoter Ronnie Screwvala and his associate companies at the same price. After the acquisition, UTV will delist from BSE and NSE. The deal, potentially valued at ₹2,000 crore, may enable Disney to strengthen its foothold in India's media and entertainment industry, as well as help Disney synergise UTV India's operations.



RAJAT BARAN

TARGET	ACQUIRER	INDUSTRY	TYPE	DEAL VALUE (₹ CR)	STAKE (%)
Holidaybreak Plc	Cox & Kings	Travel	Acquisition	2,269	100
UTV Software Communications	The Walt Disney Company (SE Asia)	Media and entertainment	Acquisition	2,000	50
Peguform GmbH	Motherson Sumi Systems	Automotives	Acquisition	885	80
DVA Agro do Brasil	United Phosphorus	Chemicals	Acquisition	668	51
Visa Power	The Blackstone Group	Power and utilities	Private equity	500	25
Redington (India)	StanChart Private Equity	Technology	Private equity	365	10
L&T Finance Holdings	Capital International's PE Arm	Financial services	Private equity	330	4
SPS Ispat & Power	Athena Capital Partners	Metals and mining	Private equity	300	30
Varun Beverages	StanChart Private Equity	Retail and consumer products	Private equity	250	5

Ernst & Young is a leading M&A advisor in India. The data is based on media reports and company announcements. Any decision on the basis of this information should be taken only after professional advice. *Business Today* or E&Y do not undertake any responsibility with regard to any such decision

*July 4 to Aug 1, 2011

Not a complete list

The new Nokia E6 Smartphone with QWERTY and Touch. Get more done. Faster and Smarter.



NOKIA

Nokia E6 Best Buy:
Rs. 17,999/-*



**View, edit and
create documents**



**Qwerty to type your
E-mails faster**



**Touch for a richer
internet experience**

© 2011 Nokia. Terms and Conditions apply.*Inclusive of all taxes.

www.nokia.co.in/E6

Available at:



and other Nokia Outlets

NOKIA Care 30303838*

To know more about your Nokia, register at

www.nokia.co.in/mynokia

Always insist on original Nokia India Warranty to safeguard against buying used, refurbished or tampered phones. Nokia India Warranty is applicable **only** for phones imported/manufactured by Nokia India Pvt. Ltd.
*For assistance on Nokia products and services, call Nokia Care. Add STD code when dialling from a GSM connection.

BT RETRO

(APRIL 22, 2007)

Posco Is Not Leaving

THEN: Will India have to bid adieu to ₹52,000 crore? If Posco is indeed getting more despondent by the day on account of delays in getting approvals for its proposed 12-million tonne steel plant in Orissa, that may well be the case. However, days after the reported threat of the world's fourth-largest steel maker to review investments in India, the South Korean steel giant appears to have changed its mind. "Posco is very serious and committed about the Orissa project. We've already paid the money for 1,135 acres (of the 4,004 acres needed), and as soon as possession is given we'll start work," a Posco India spokesman told *BT*. Posco had signed the MoU with the Orissa government in June 2005. However, in the wake of stiff resistance from locals at its project site in the Jagatsinghpur district, and delays in awarding mining lease, the company reportedly started contemplating a shift to Vietnam. That plan may have been shelved, for now. The Orissa government had agreed to give Posco a lease to mine 600 million tonnes of iron ore. But permission has yet to come from the Centre, which is reviewing the country's 49-year-old mining laws.

NOW: Posco's project in Orissa is yet to get off the ground. Since 2008, its efforts to acquire 438 acres of private land, out of the total 4,004 acres approved for the project, have been mired in an unceasing cycle of local protests.

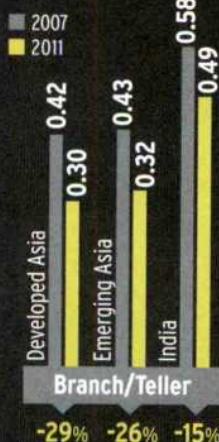
BANKING ON TECH

Use of the Internet and mobile devices for banking is growing rapidly among Indians in particular and Asians in general, reveals a survey by McKinsey & Co.

Graphic by Santosh Kushwaha

Branch usage has dropped significantly across Asia between 2007 and 2011

Weekly usage frequency



India leads growth in Asia in mobile and Internet usage for banking

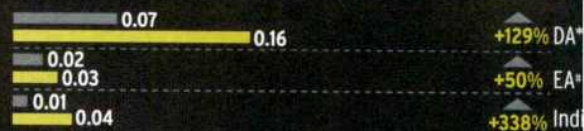
Weekly usage frequency

■ 2007 ■ 2011

@
INTERNET



MOBILE



*Developed Asia: Hong Kong, Korea, Singapore, Taiwan, Japan

*Emerging Asia: China, Indonesia, Malaysia, the Philippines, Thailand, Vietnam

5 STEPS TO HERE

TATA NANO
RUNNING SHORT OF PROMISE

March 2009

Tata Motors announces the commercial launch of Nano, the world's cheapest car; draws over 200,000 bookings.



November 2010

Nano sales plunge to 509 units from 9,000 in July, following a series of reports of the car catching fire.



Source: McKinsey & Company



May 2011

Tata takes Nano to Sri Lanka, Bangladesh, Nepal, and the Philippines; posts sales of 70,450 units in 2010/11.



Tata Nano enters Sri Lanka's cab market



July 2011

Nano sales fall in July by 64 per cent to just 3,260 units amid interest rate and fuel price hikes.



August 2, 2011

Tata considers setting up overseas factories to assemble Nano to help boost sales of the car.

ANAMIKA BUTALIA

**"IN IFC'S
GLOBAL
PORTFOLIO
INDIA IS THE
LARGEST"**

KARIN M. FINKELSTON, Vice President, Asia Pacific, International Finance Corporation, or IFC, made India her first port of call after being appointed to the newly-created position. During her visit, Finkelston spoke to **SANJIV SHANKARAN** on IFC's plans for the region.

Edited excerpts of the interview:

On her appointment: The lion's share of the world's poor live in the Asia-Pacific region. That's the main reason for having this vice presidency. The second is the knowledge and innovation that is coming out of Asia and India in particular. Taking those models to other parts of the world will be an exciting part of my job.

On key ideas from India: Our work in India has three pillars. First is inclusive growth and trying to make sure people in rural as well as lower income states have access to growth. Second is to do that in a climate-friendly way. Third is global integration, around south-south. That comes from sharing innovative business models, working with Indian companies as they invest in Africa, Indonesia and other parts of the world.

On the importance of India: I came to India first because in IFC's global portfolio India is the largest. That reflects the emphasis we put on the country.

On future portfolio in South Asia: It will include access to infrastructure, particularly through public-private partnerships in health and education, as well as renewable energy. We also see opportunities to support farmers and link them to urban consumers... there are whole new agribusiness standards and products that can be put into the mix. The third area is access to finance and supporting the financial sector to develop products for small businesses.





INDIA'S GLOBAL
B-SCHOOL

RANKED No.1 IN INDIA IN GLOBAL EXPOSURE

100% of students who undergo IIPM's flagship Programme in Planning and Entrepreneurship go for a Global Orientation Programme to USA/EUROPE etc. They further spend a week in one of the Top B-Schools of the world like DARDEN, NYU STERN etc.

leading to **CERTIFICATION IN GLOBAL MANAGEMENT** from **WORLD'S TOP RANKED B-SCHOOLS**

IIPM GOTA* programmes are held in the following institutions abroad, leading to Certification in Global Management from them

Participating B-School:



Affiliate B-School:



International Residency



Participating School for GOTA:



Cornell University
ILR School

Participating B-Schools in India

Strategic Marketing Programme



Wealth Management Programme



•20000+STUDENTS SENT ABROAD FOR GLOBAL EXPOSURE •20 TOP MOST B-SCHOOL/ UNIVERSITY PROFESSORS HAVE COME TO TEACH!! •1800+ Students, as part of IIPM programme, did **GLOBAL CERTIFICATION PROGRAMMES** from Darden School of Business, Haas School of Business - UC Berkeley, Judge Business School- Cambridge, Mc Combs School Of Business- UT Austin, ILR- Cornell University and NTU Singapore. **•350+ Students did CERTIFICATION PROGRAMMES** in India with HAAS School of Business and NUS !! **•250+ INTERNATIONAL PLACEMENTS** IN LAST 3 YEARS & Winner of Dewang Mehta Best B-School Award 2008 & 2009 for HIGHEST INTERNATIONAL PLACEMENTS IN INDIA for '08(165) & '09(55)!! **•200+ EDPs WITH INTERNATIONAL PROFESSORS** organised for INDIA INC. jointly with IIPM faculty! **•150+ ORGANISATIONS** visited globally! **•100+ INTERNATIONAL STUDENT EXCHANGE PROGRAMME** participants on campus from 10 different Universities! **•15+ COUNTRIES VISITED** by IIPM students including Australia, Germany, Austria, Belgium, France, Turkey, Italy, Japan, UK, Norway, Finland, Spain, South Africa, Sweden, Switzerland and United States! **•12+ GLOBAL MANAGEMENT GURUS** like Philip Kotler, Stephen R. Covey etc. came to teach! **•6+ GLOBAL MANAGEMENT events** with International student participation!!



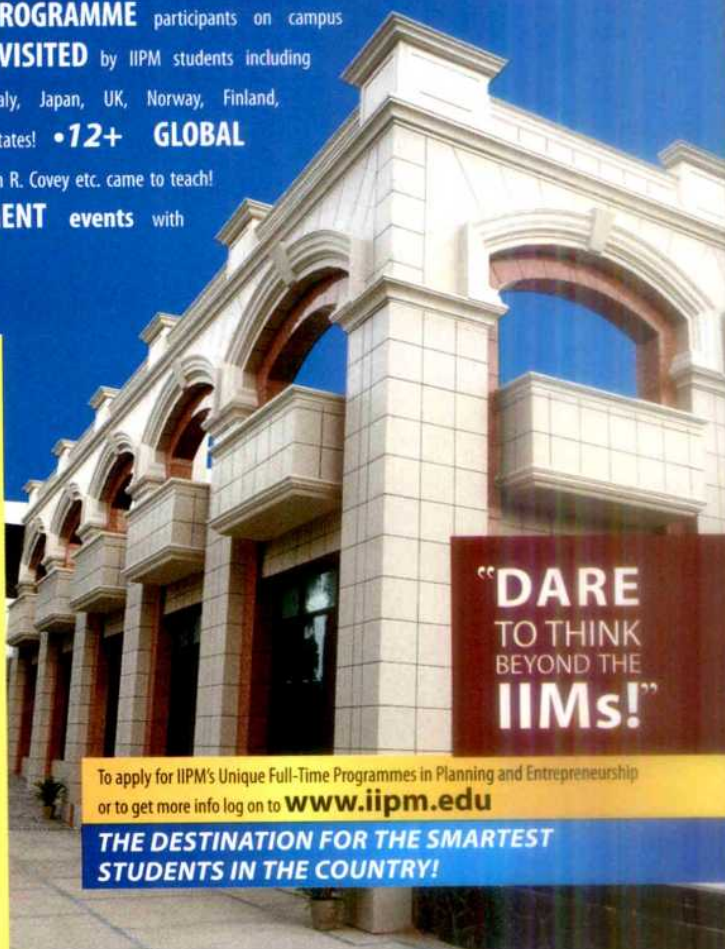
Constantly Ranked at the Top

• IIPM has been Ranked the **No.1 B-School in India**, ahead of all the IIMs in 'Global Exposure' as well as 'Intellectual Impact' by Zee Business Best B-Schools Survey 2011 and ranked the **5th Best B-School 'Overall'** as well as **5th Best in 'Placements'**.

• IIPM has been Ranked **No.1 in International Exposure** (ahead of all the IIMs) and the **9th Best B-School** in India by DNA Best B-Schools Survey 2010

• IIPM has been ranked the **No.1 Private B-School of North India** by the Hindustan Times Best B-Schools of India Survey 2010. IIPM was also ranked the **8th Best B-School** in the country that students aspire for and the **9th Best Private B-School** in India in the same survey.

• IIPM has been ranked the **No.1 B-School in Delhi NCR** by Mail Today Best B-Schools Survey 2010. The same survey also ranked IIPM **No.1 in 25 Top of the Mind Institutes**, **No.1 in International Exposure**, **No.2 in Placements and Potential to Network** and **No.3 in Faculty**.



**"DARE
TO THINK
BEYOND THE
IIMs!"**

To apply for IIPM's Unique Full-Time Programmes in Planning and Entrepreneurship or to get more info log on to **www.iipm.edu**

**THE DESTINATION FOR THE SMARTEST
STUDENTS IN THE COUNTRY!**

IIPM OPEN ENROLLMENT EDPs 2010-11

25 Leading Faculty Members from the World's Top B-Schools are coming to teach at IIPM this year and taking 100 EDPs for India Inc.!

IIPM is visited in India by Professors from Ivy League Universities like

Harvard, Columbia & YALE

Some of the globally renowned professors who have taken sessions with IIPM students include:

Stephen R. Covey, Zig Ziglar, Philip Kotler, Joel Stern, Jack Canfield, Jim Rogers, Clayton M. Christensen, John Philip Jones, Gary Hamel, Brian Tracy & Ken Blanchard!!



DARE TO THINK BEYOND

Across Industries, Across Geographies

IIPM's World-Class Training Programmes 2010-11

The following is a partial list of professors exclusively visiting IIPM branches to take classes this year. They will also conduct EDPs for India Inc. as per the following calendar.

Duke University, Fuqua School of Business Prof. Gurhan Kok October '10 Strategic Supply Chain Management Delhi, Chandigarh, Dehradun, Jaipur McCombs School of Business Prof. Gaylen Paulsen October '10 Negotiation Delhi, Bangalore, Pune, Mumbai UMICH, Dearborn Prof. Aaron Ahuvia November '10 Escaping the Customer trap Delhi, Cochin, Bangalore, Hyderabad Wharton Business School Johannes Penning November '10 Innovation Kolkata, Indore, Bhopal, Cochin Haas School of Business Frank Schultz December '10 Strategic Thinking: Devising Strategies for Competitive Advantage Bangalore, Mumbai, Ahmedabad, Delhi Kellogg School of Management Lakshman Krishnamurthi December '10 Marketing Kolkata, Bangalore, Cochin, Chennai INSEAD Lauren Mathys January '11 Blue Ocean Strategy Delhi, Dehradun, Bhubaneshwar, Hyderabad HBS Rajiv Lal January '11 Key to Customer Centric Organizations Delhi, Bangalore, Chennai IMD Pucik Vladimir February '11	HR and Strategy Delhi, Bangalore, Indore, Lucknow Columbia Business School Prof. William Duggan February '11 Strategic Intuition Kolkata, Bhubaneshwar, Ahmedabad, Mumbai IMD Jack Wood March '11 Leadership and OB Delhi, Chandigarh, Lucknow, Chennai Kenan Flagler Business School Hugh O'Neill March '11 Developing Winning Strategies Hyderabad, Mumbai, Pune, Ahmedabad, Bhopal Columbia Business School Dennis Chookaszian April '11 Global Trends in International Governance Delhi, Chandigarh, Bangalore, Pune, Mumbai Columbia Business School Kamel Jedidi April '11 Customer Centric New Product Development Kolkata, Indore, Bhopal, Cochin NYU, Stern Michael Liersch May '11 Negotiation and Leadership Delhi, Ahmedabad, Cochin, Bangalore MIT Sloan School of Management Don Rosenfield May '11 Negotiation and Leadership Delhi, Dehradun, Jaipur, Chandigarh Duke University, Fuqua school of Business Sharon Belenzon June '11 Analysis of the Sources of Competitive Success Delhi, Jaipur, Indore, Bangalore	Kellogg School of Management Masud Arjmand June '11 Talent and Corporate Performance Delhi, Kolkata, Bhopal, Bhubaneshwar, Lucknow Kellogg School of Management, Northwestern University Evan Apfelbaum July '11 Leadership & Strategic Social Interaction in High-Impact Teams Mumbai, Pune, Ahmedabad, Delhi, Bangalore Darden School of Business, University of Virginia Prof. Gal Raz July '11 Supply Chain Management Mumbai, Chennai, Bangalore, Delhi University of Michigan, Dearborn Prof. Kamalesh Kumar July '11 Building and Sustaining Success: Understanding the Role of Resources, Capabilities & Competencies Chandigarh, Dehradun, Bhubaneshwar, Hyderabad Darden School of Business, University of Virginia Prof. Marc Modica August '11 Negotiating Good Agreements: The Art of Creating and Claiming Value Cochin, Bangalore, Kolkata, Lucknow, Delhi Harvard, Kenndy Prof. Barbara Kellarman August '11 Leadership & Followership-Perspectives Provided by a Contrarian Delhi, Bangalore, Mumbai MIT, Sloan, Massachusetts Prof. Mark Mortensen September '11 Managing Teams in the New Global Economy Bangalore, Chennai, Bhopal, Delhi Fuqua School of Business, Duke University Prof. Gurhan Kok September '11 Strategic Supply Chain Management Kolkata, Bhubaneshwar, Hyderabad, Pune
---	--	--

All the above mentioned programmes are jointly taken with a member of IIPM faculty & conducted by Planman HR

Leaders in Industry Interface and Executive Programmes

Investment per participant for the above mentioned programmes : ₹ 25,000/- Customised Programmes also available!!
 Get in touch today with Vivek at vivek.sharma@iipm.edu or training@planmanconsulting.com; www.iipm.edu; www.planmanconsulting.com

Brought to you by



Media partners



"This is unacceptable... They have played a trick. They can't dictate terms to the government."

Vayalar Ravi, Civil Aviation Minister, lambasting Star Alliance for stalling Air India's bid to enter the global grouping of airlines, in *The Indian Express*



"America is shifting the weight of responsibility on other countries and in a way acting as a parasite."

Vladimir Putin, Russian Prime Minister, speaking at a youth camp, quoted by wire agencies

"DISMISSING THESE PROCEEDINGS WILL NOT PREVENT THE COMMISSION FROM FILING AN ACTION AGAINST MR GUPTA IN A US DISTRICT COURT."

US Securities and Exchange Commission, in its order dropping its case against former Goldman Sachs Board member Rajat Gupta, accused of insider trading, quoted by wire agencies

"I've gotten a little greyer since I took this job, but otherwise I feel pretty good."

Barack Obama, US President, speaking on National Public Radio, ahead of his birthday on August 4, and the vote on the debt ceiling, quoted by wire agencies



CLASSIC BUSINESS QUOTE

"What's the subject of life – to get rich? All of those fellows out there getting rich could be dancing around the real subject of life."

Paul A. Volcker, US economist

QUIRKY



No Kidding

It will surely be unpalatable fare for those used to dining out with their families. Fine dining restaurants are now turning away people who come with children below a certain age in tow. Complaints from other diners, who want a quiet meal, have led to this unwritten rule. Many restaurants are setting the minimum age for entry between eight and 12 years. Restaurants offering the *repas prevue* concept are also taking this route as children eat smaller portions, or may not be patient enough to sit through four-course meals. Soon, the sight of 'little people' squealing and running around restaurant tables will be a thing of the past.

SNOOT CORNER

Off the Cuff

A key component in men's accessories, cufflinks are no longer just black enamelled. They are now made of several kinds of metals, given different shapes, and studded with semi-precious stones at times. Cufflinks add style to formal wear, and look best when worn on a double cuff. They need not exactly match the colour of the tie or pocket square. In less formal settings, they may be worn without a tie or pocket square.

HOW THINGS WORK

Ceaseless Vigil

The Panamanian ship *MV Pawit*, which recently drifted into Indian waters undetected despite a three-tiered maritime security cordon and ran aground at Juhu in Mumbai, has exposed serious gaps in the surveillance along India's coast. The Coast Guard now plans to set up a number of radar stations along the coastline. How will these help?

CAPABILITY: The Coast Guard radar stations will provide additional support to physical surveillance of the coastline. A radar station can detect ships 24 to 30 nautical miles, or 44 to 55 km, away.

FUNCTIONS: Apart from policing the coastline, the Coast Guard responds to distress calls as well. Boats or ships in peril – either sinking or stranded with mechanical problems – contact the nearest Coast Guard for help. The agency also helps shift onshore sick or injured individuals aboard a vessel.

NATIONAL SECURITY: Another important Coast Guard duty is to nab smugglers and pirates. It also specialises in rescue missions, law enforcement assistance and ensuring the coastline is safe from anti-social elements and terror activities.



JUST WONDERING

Water of Woe

In May 1997, Karnataka and Tamil Nadu agreed to set up an integrated power, irrigation and drinking water project at Hogenakkal in Dharmapuri district of Tamil Nadu. The ₹1,334-crore project was meant to supply potable water to Dharmapuri and Krishnagiri districts with a population of three million then. The water was to be drawn from one of the waterfalls at Hogenakkal that fed the Cauvery river. Nothing happened for 11 years, as Karnataka contested the ownership of the waterfall and claimed the project would divert its share of Cauvery water. In February 2008, Tamil Nadu Chief Minister M. Karunanidhi laid the foundation stone amidst protests by Karnataka, and even as the states sought the Centre's intervention to resolve matters, the project's unit office came up in June that year. This further aggravated tensions between the states. In 2010, Karnataka tried to discuss the dispute with Tamil Nadu, to no avail. Will the Cauvery ever flow quietly?

COMPILED BY ANAMIKA BUTALIA



Ajay Gupta
Managing Director
Capital Foods

Capital was probably the last thing Capital Foods needed!

I am a brand man. I have worked on various brands in India. And brands arguably are the best way to unlock business potential. No wonder that I embarked on a journey to build my own brands... right here in India, for India and for the rest of the world.

Yes, Capital Foods, Chings Secret, Smith & Jones and Raji very soon found a mentor in Future Ventures and Mr. Kishore Biyani. They believed in us, advised us, supported us and most importantly shared precious retail space for our brands. As we evolved into a company that truly understood changing Indian taste.

Believe me, you require a lot more than capital to make the business of brands happen.

www.futureventures.in

We are truly committed to the idea of mentoring entrepreneurs and disproportionate growth in **Fashion, Food, FMCG** and **Rural Distribution** businesses.

future ventures 
mentor.entrepreneurs

CAPITAL
FOODS



SMITH & JONES

Raji



Ending Stasis

The wrenching churn of global equity markets may just be the perfect setting to usher in India's next growth wave: reforms of its institutions. By SANJIV SHANKARAN

Perhaps it was the TV channels running – almost looping – stories that an accused in a telecom scandal had dragged his name into a corruption case. Or, it may have been uncertainty over India's economic future after two decades of reforms.

Whatever the reason, Palaniappan Chidambaram was a listless speaker at a book launch function the last week of July. "Reforms can be stalled, if you do not take an aggressive stance," the Union Home Minister said. Stalled reforms could drag the country's growth trajectory down to a range of five per cent to six per cent, he added. Coming from India's longest-serving finance minister in 20 years, this was almost

alarming. For, growth in India has averaged 8.4 per cent over the last five years, despite a short recession in much of the developed world.

The debate at the book launch – it was a book on India's transformation since 1991 – unsurprisingly focused on governance, or lack of it, in India. Questions about the sustainability of India's economic trajectory have been raised earlier, but were ignored in the euphoria of a phase of high growth.

Five years ago, Bimal Jalan – former RBI Governor, bureaucrat, and parliamentarian, had pointed out that India had shaken off external constraints to growth. Jalan, a man who knows the Indian state well, had warned a trajectory of a sustained nine per cent to 10 per cent growth was unlikely. Falling governance standards in public institutions was the drag, a trend Jalan termed as public-private dichotomy: an improving private sector co-existing with a deteriorating public sector.

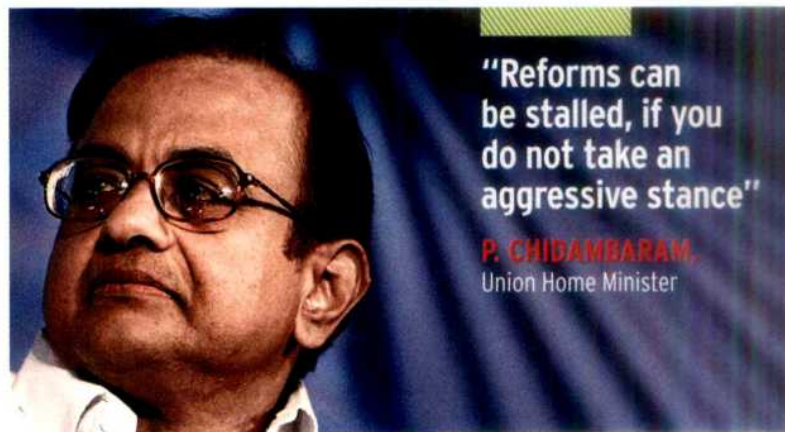
"At the moment, we are in stasis," says Jalan in an interview (See page 36). Stasis, a word with Greek roots and elaborated by historian Thucydides, means inactivity or stagnation.

A short distance from Jalan's office, the finance ministry, meanwhile, was busy proving governance is far from at a standstill. Four days after the book launch that Chidambaram presided over, a dozen business leaders, including Ratan Tata and Anil Ambani, trooped into North Block, perched atop New Delhi's Raisina Hill and home to the finance ministry.

After spending over 150 minutes in a closed door meeting with Finance Minister Pranab Mukherjee, the industrialists stepped out to mouth positive sentiments to a waiting army of journalists. This ran counter to the prevailing business sentiment. The latest *BT-C Fore* Business Confidence Survey, for instance, showed nearly half the respondents expected the business environment to moderately or substan-

tially worsen in the six months from June; the comparable number was just 11 per cent in the previous survey just a quarter ago.

What then was the meeting really about? "Perception," says a senior finance ministry official who attended it, with candour that comes only with anonymity in government circles. Part of that effort: new, neat burgundy curtains along the corridor that the visiting businessmen took to reach the meeting venue, while chik curtains enveloped in faded blue tarpaulin stayed untouched in other corridors.



He did not say as much but one cause of what Jalan called stasis lay in a throwaway line of Chidambaram's talk at the book launch. "It is the delivery system that is very rickety, in some places, broken," the Home Minister candidly said. That and what Prime Minister Manmohan Singh has repeatedly used as an excuse – "compulsions of coalition politics" – for gaps in governance.

A little after Singh began his second innings as prime minister in 2009, his now honorary economic adviser, Raghuram Rajan, wrote an intriguing essay along with Abhijit Banerjee, a Massachusetts Institute of Technology economist. They said

there was a deep crisis in the provision of public services to the poor in the world's second-fastest growing economy. "Unless the crisis is tackled, through a mixture of economic and political reforms, India risks all the gains made in recent years."

That crisis, many experts believe, has become worse today. When the poor cannot get their legitimate rights, their logical option is to use the only tool they wield in a skewed set of power equations: the vote. Political groups, increasingly fragmented, provide patronage in return for the vote. And, since almost every political

party is forced into such "transactions", the system misses out on the kind of accountability voters ought to demand. Compulsions of coalition politics, in other words.

Anu Aga, Director at boiler-maker Thermax, and a member of the National Advisory Council, a policy advisory group led by the ruling Congress party President Sonia Gandhi, does not pull punches. "Greed and grab is very prominent among a few industrialists," she says, picking out mining and construction as among the worst. As long as administrations have the leeway to be corrupt through instruments such as vast discretionary powers, she says, there will be little change in industry's behaviour. "It is almost impos-

sible to do business honestly; the rare few can afford to be honest."

Mukherjee, who dons the garb of the Congress party's chief firefighter often, has promised the situation will soon change for the better. A group of ministers headed by him has suggested eliminating some discretionary powers, the details of which are

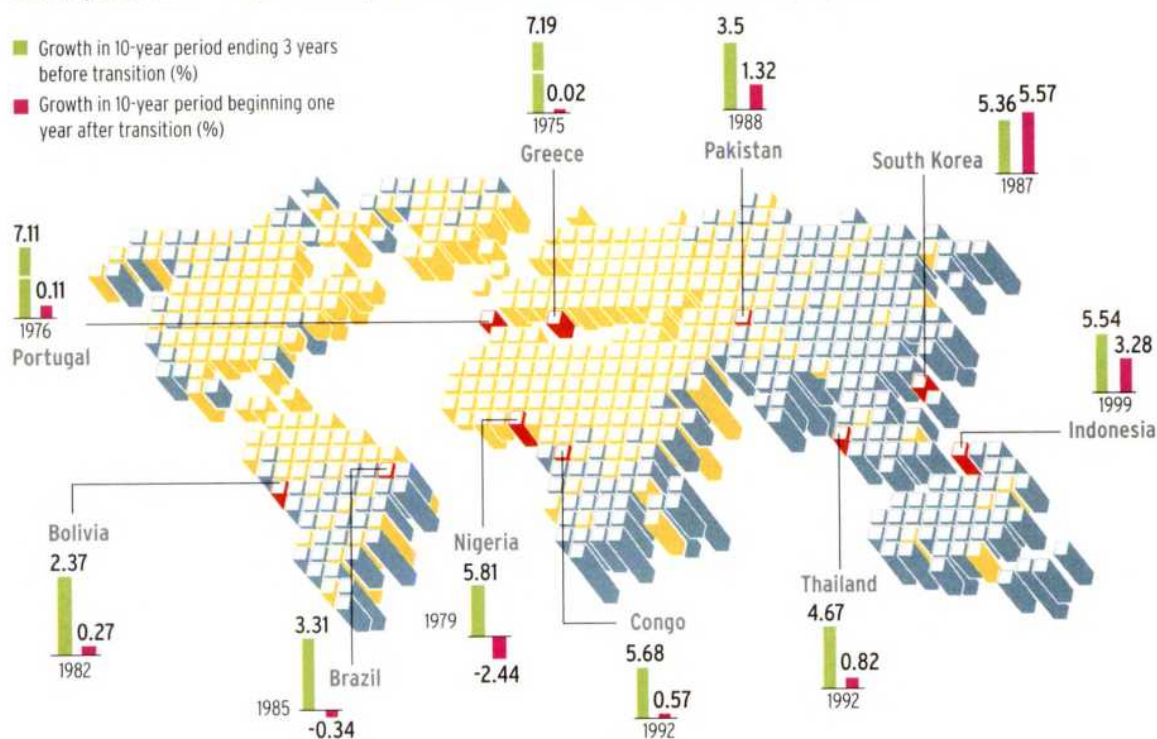
headed by 2001 Nobel prize winner in economics Michael Spence, said. "An important part of development is precisely the creation of these institutionalised capabilities."

Ironic as it may sound for the world's largest democracy into its seventh decade as a republic, it is India's institutions that are failing.

Global Development, in 2007 wrote that the quality of institutions "bequeathed" by India's founding fathers provided considerable returns with relatively modest reforms. The judiciary, bureaucracy and police were among key public institutions identified by Subramanian as having played a vital role earlier in driving

Democracy's Price

When countries transition from autocracy to democracy, it comes with an economic slowdown. With India starting as a democracy, some experts feel it will never suffer transition pangs.



Years are in which the transition took place

Source: 'How Good Are Good Transitions for Growth and Poverty? Indonesia Since Suharto' by Lant Pritchett

not known yet.

In this scramble to put Band-Aid fixes on problems, what is being missed is the predictability that comes as part of a well-governed economy. In 2006, an eclectic multi-country team of economists and policy makers undertook a two-year study to find out what makes economies grow. One of its conclusions was about the importance of institutions. "Mature markets rely on deep institutional underpinnings," the study of the team,

Institutions, at the simplest, set out the rules of the game clearly: the formal rules, conventions and their enforcement – all of which influence the course of economic development.

One view of India's recent economic development is that the quality of institutions India started with has played an important role in its high growth. Arvind Subramanian, an economist at American think-tank Centre for

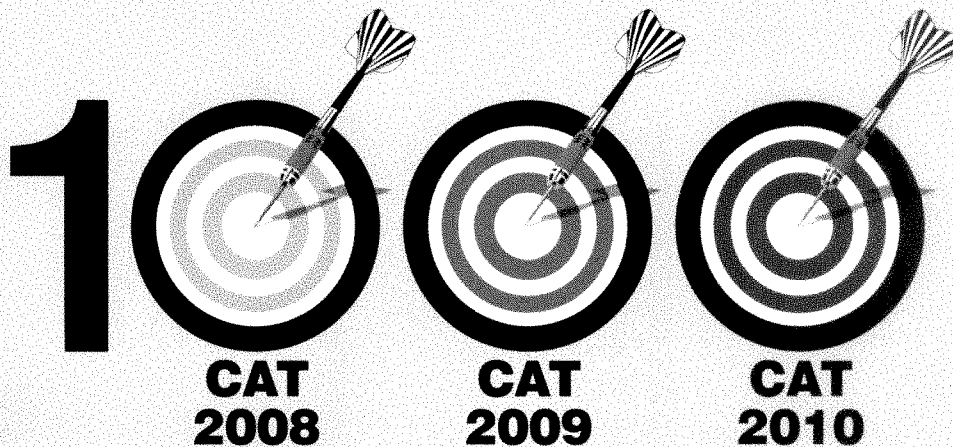
the economy, but badly in need of reforms now.

Some of India's institutions, to be sure, still compare well with their international peer group. "The Indian central bank is more credible than People's Bank of China," says V. Anantha Nageswaran, an independent macroeconomic consultant, based in Singapore. "RBI still has a lot of credibility, it has the competence to be critical [of the government]." Anecdotal evidence and formal stud-

The Undisputed

CAT

Champions



**1000+ T.I.M.E. students
in the IIMs - 3rd year in a row**

T.I.M.E. students deliver the best performance in CAT for the third year running. No other training institute comes anywhere close.

☛ Enrol today!



T.I.M.E.

Triumphant Institute of
Management Education Pvt. Ltd.

Head Office: #95B, 2nd Floor, Siddamsetty Complex, Park Lane, Secunderabad - 3.

Tel: 040 - 27898195, Fax: 040 - 27847334 email: info@time4education.com www.time4education.com

Don't take chances with your career. Join T.I.M.E.

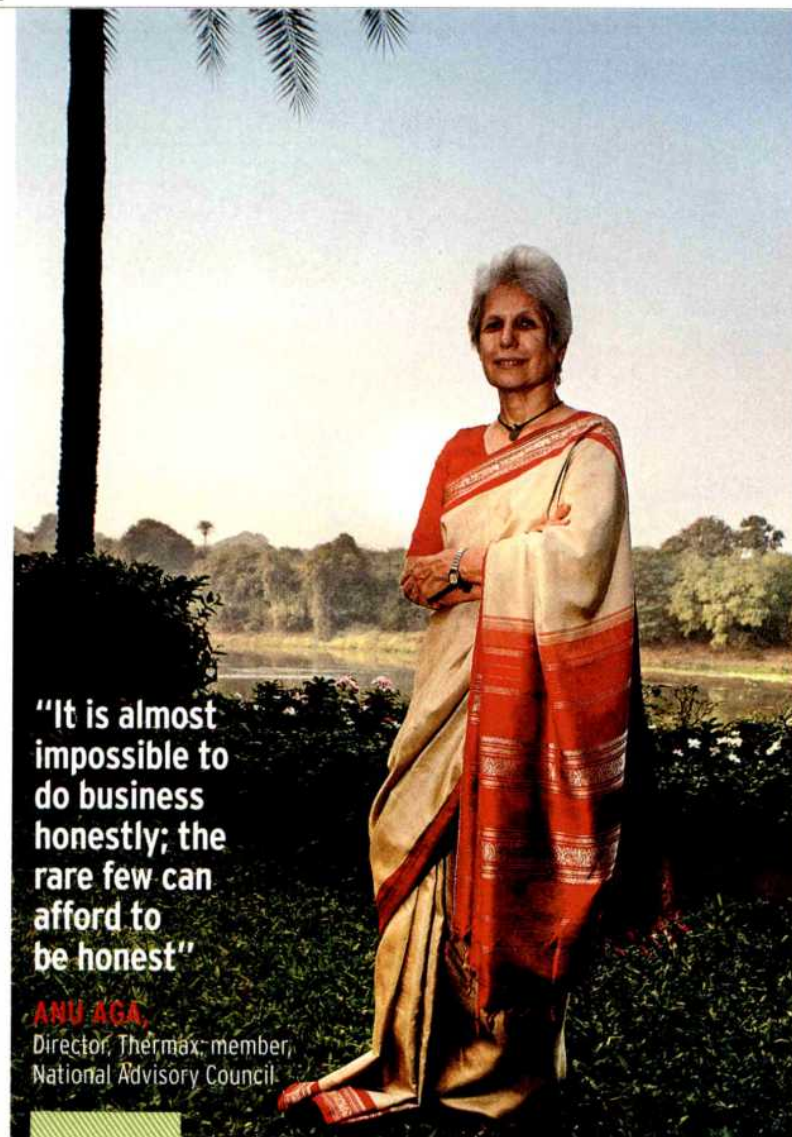
ies, however, indicate a decay in the bureaucracy. For instance, the charges in the ongoing telecom corruption case show sections of a complicit bureaucracy.

The key question today is whether India's institutions are up to dealing with an economy on the threshold of touching \$2 trillion. If they are not, "we are constraining our potential growth rates," says Samiran Chakraborty, Regional Head of Research, India, Standard Chartered Bank. The slowdown in fixed investments, partly on account of the fallout of corruption issues, over the last two years has pared up to one percentage point of growth of gross domestic product, the Economic Advisory Council said this month.

Enhancing the quality of India's institutions may be crucial to sustaining high growth, but they are not the only set of reforms needed. They need to be complemented at policy and execution levels. "You can't pose the question as either or basis," cautions Anantha Nageswaran.

Amidst the gloom, democracy remains the best bet to break the vicious cycle and trigger a new wave of reforms, many believe. There is some buzz coming from New Delhi on how big ticket policy changes – foreign ownership in multi-brand retail, for instance – are round the corner. The mayhem in global markets after the downgrade of US debt by Standard & Poor's and worries over the European Union only add to the urgency for such reforms.

India has been a middle-income country for the last four years and the latest per capita income estimate of \$1,441, or ₹65,517, is close to the \$1,500 threshold that ICICI Bank Chairman K.V. Kamath says, will trigger a big demand for better governance. The Prime Minister's Economic Advisory Council has forecast per capita income will touch \$1,632 by March 2012. But there is some scepticism that this trigger may take a while coming. "Demand for institutional



"It is almost impossible to do business honestly; the rare few can afford to be honest"

ANU AGA,
Director, Thermax; member,
National Advisory Council

UMESH GOSWAMI/www.indiatodayimages.com

reform will require much higher per capita income," says Chakraborty.

Then, others like Jalan believe in the power of bottom-up pressure. For instance, the illegal iron ore mining scandal in Karnataka, which forced Chief Minister B.S. Yeddyurappa to resign. The rot in this instance was deep and entrenched across all levels of the state government – from the lowest to the most powerful – but the dogged pursuit of the issue by a handful of individuals who are part of the system has forced a chief minister out of office.

People in India seem to be more pessimistic about her institutions and their future. The view from overseas is that India has a lot going for it that might trigger positive developments.

"I'm bullish on India," says American economist Lant Pritchett, currently a professor at Kennedy School of Government in Harvard University, on phone. "The federal structure makes me very optimistic. The power structure is too diffused and too regionalised to lock out really successful entrepreneurs forever."

Pritchett is no stranger to India; he spent three years here as a World Bank economist. He iterates the confusion he saw here first hand, when he wrote a paper last year provocatively titled 'Is India a Flailing State?'. "There's no orderly transition. India is going to look messy every step of the way," he says, "and end up way ahead of everybody else in the world." ♦

BIGGER, BETTER AND BOLDER OFFICE SPACES TO COMPLEMENT YOUR NEW BUSINESS PLANS



Godrej Eternia offers modern offices and exclusive retail spaces in Chandigarh, one of India's fastest growing business hubs. We've built in all the modern amenities into our sustainable design for which we've received the Platinum Green Building Pre-Certification. What this means to you, is optimum use of resources and a great ambience for you to work in. So move into a bigger and better office and watch your business bloom.

- Office spaces 1250 sq. ft onwards
- Penthouse office with terrace garden
- Multi level mechanical car park. Capacity - Over 300 cars
- 20m wide landscaped retail promenade
- Construction by L&T
- Pre-certified LEED Platinum Green Building
- Possession early 2012



Voted as one of the most trusted real estate brands by 4Ps - ICMR survey 2011

+91 172 5020 251, +91 99880 10144 | www.godrejetermia.com | sms GODREJ GE to 56070

You Tube www.youtube.com/godrejpropertiesin | **flickr** www.flickr.com/godrejproperties

Site office: Plot No. 70, Industrial Area Phase I, Chandigarh - 160 002.

Joint Venture Partner:

Landowners
and
Zara Infrastructure
Pvt. Ltd.

The Plans, specifications, images and other details herein are only indicative and the Developer / Owner reserves its right to change any or all of these in its discretion subject to grant of approval from relevant authorities. This printed material does not constitute an offer, an invitation to an offer and/or commitment of any nature between the Developer/Owner and the recipient. The Developer's/Owner's website(s) and other advertising and publicity material include Artist's impressions indicating the anticipated appearance of completed development. No warranty is given that the completed development will comply in any degree with such Artist's impressions. Costs, designs and facilities and/or specifications may be subject to change without notice. The project is being developed by Godrej Estate Developers Private Limited which is a subsidiary of Godrej Properties Ltd.

BIMAL JALAN, former Governor of the Reserve Bank of India, discusses India's institutions and the challenges they face with **SANJIV SHANKARAN**. Edited excerpts from the interview:

On India's institutional framework: There are some extremely important distinctions. One, there are the institutions of the state, which are permanent. They are Parliament, the executive and the judiciary. That is the Constitutional design. Second, there are the government institutions. Take ministries. They are institutions from the public point of view.

In the third category are institutions that are autonomous. There are rules of the game that can be decided by the government. Policy can be decided by the government. The implementation is the autonomous responsibility of government institutions. For example, the Election Commission, or EC. People [who head it] are appointed by the government. The EC is not accountable to the home ministry. Conducting of elections is the duty of the EC.

When we talk about institutions, [we must] distinguish between the layers. One is institutions of the state, they differ from the government. It is open to all to enter the civil services or the judiciary. With this structural paradigm in place, we are very fortunate that our institutions of the state are responsible, accountable and are really responsive to the law and to rights. That is the greatest strength of India.

On big issues, we did very well. On delivery issues, which are controlled by ministries, we have done very badly. The main institutional private-public dichotomy is where ministerial decisions [are taken] or administrative autonomy is not there. It is all in the hands of whoever happens to be the minister. If you take the Food Corporation of India, who decides who should be the chairperson? [The Food Minister]

On financial sector institutions: What you are regulating is delivery of service by others. There are trade-offs.



INTERVIEW **BIMAL JALAN**, Former RBI Governor

"No Collective Responsibility"

a national issue of importance, the government rises to the occasion

On current challenges: The problem essentially has emerged in the last 20 years. We have passed the anti-defection law. It says if you have been elected on a party ticket, you cannot defect. It was a good thing in those days. [But] see the unintended consequences.

We have generated a situation where we cannot have a government without coalitions. [There are] parties with five or six members [in the government]. There is no collective responsibility. You have given an incentive for fragmentation. It is one of the worst things that could have happened. We have substituted British imperialism with the imperialism of ministers.

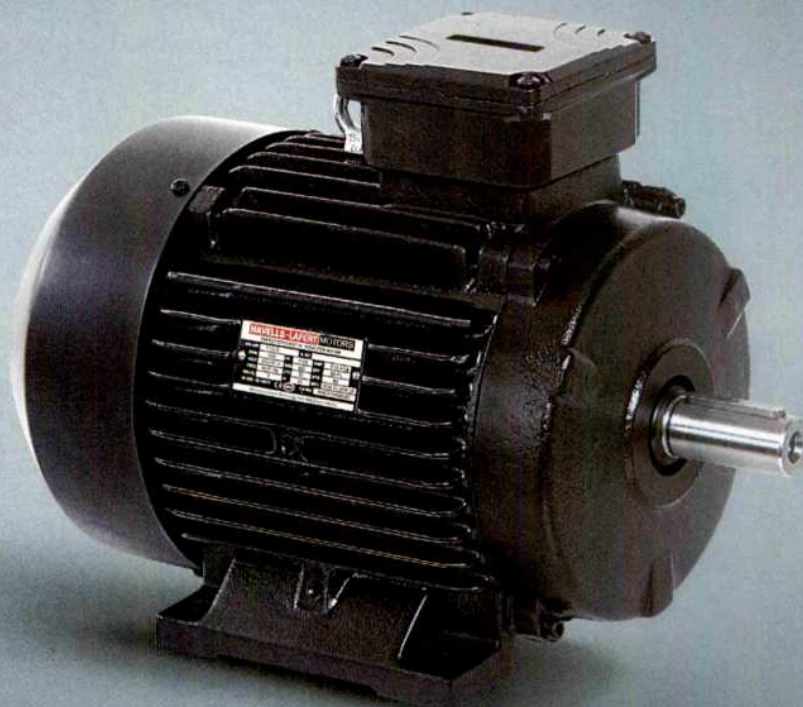
We have to give great importance to two priorities. One, Central ministers will [continue to] decide policy, will bring about macroeconomic growth along with stability. They will appoint executives, but there has to be a clear division of responsibility between policy makers and implementers. Every decision should be subject to the Right to Information Act.

On change: It can only happen if you make some political reforms. You make anti-defection law applicable to all parties that join the government. If they defect, they go for elections. ♦

It is a complex issue. People go by trust. The regulator's job is to ensure public interest is protected.

Fortunately for us, over a period of time conventions have developed ensuring a harmonious relationship between the different organs. Through the finance ministry, all regulatory organs are accountable to Parliament.

In all democracies, the government has the responsibility. Fortunately, over a period of time, I can say from my experience, the relationship is very good. There may be differences from time to time, but they are resolved. This is a positive thing about India. Having worked with a large number of ministers, [I can say] that when there is



MEET YOUR NEW MONEY MANAGER.

A RANGE OF ENERGY-EFFICIENT MOTORS FROM HAVELLS.

High quality raw materials, automated copper winding and a low weight-to-output ratio. These are just some of the reasons that our motors are the most reliable and energy-efficient ones around. Like in all Havells industrial products, stringent geometrical accuracy ensures high performance every time. So you can count on them to keep your factory running and to save for you, non-stop. And there's full recovery of investment in just 12-18 months. So why have operating costs, when you can have operating profits?



WIDE RANGE FROM 0.12 HP TO 470 HP



HAVELLS-LAFERT MOTORS
Manufactured with Technology from AEG Electric Motors



HAVELLS
INDUSTRIAL

E-mail: marketing@havells.com, www.havells.com
Consumer Care No.: 1800 103 1313 (All connections), 011-4166 0303 (Landline)

Join us on Facebook at www.facebook.com/havells and share your ways to save the planet!



This, Too, Shall Pass

As in 2008, investor sentiment has been hit by the global crisis, but India is likely to absorb the shock. By RAJIV BHUVA

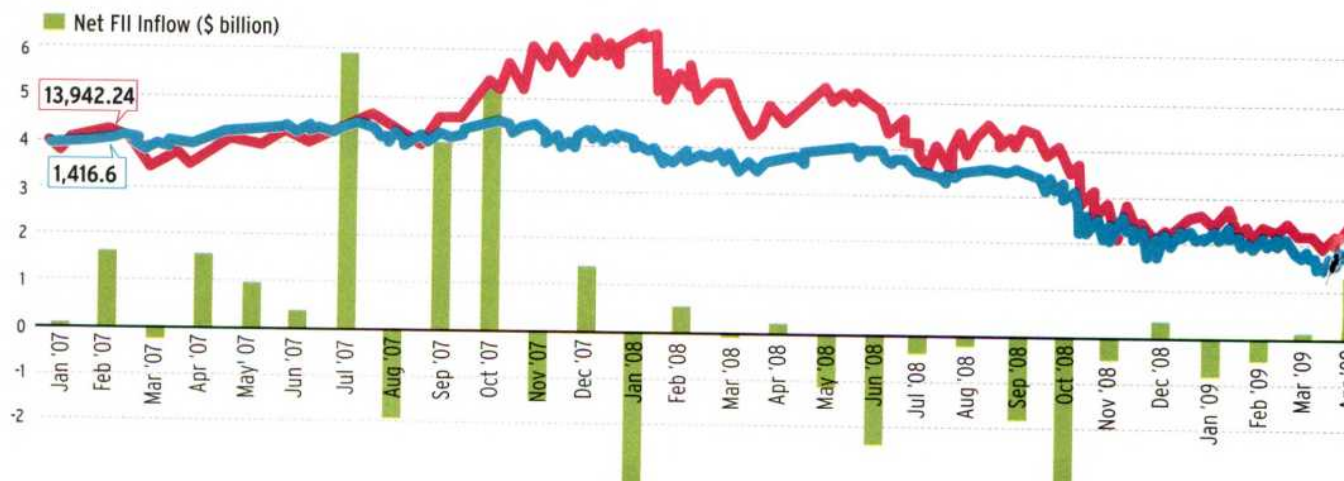
Stock markets are showing signs of collapsing again. The European sovereign debt crisis, the logjam over the US debt ceiling and the cruellest blow of all on August 5 when Standard & Poor's, or S&P, lowered the long-term sovereign credit rating of the United States from AAA to AA+, have sent global markets into the red zone.

In a knee-jerk reaction, the S&P

500 index plummeted by more than six per cent. In India, the Bombay Stock Exchange, or BSE, Sensex shed 1.82 per cent, or over 315 points, on August 8.

Is it yesterday once more for investors in the short to medium term? In 2008, the Sensex had crashed close to 58 per cent from its peak of 20,827 on January 11, to 8,701 points on October 24.

India's gross domestic product, or GDP, growth rate has fallen since 2008. Inflation is lower than in 2008, but real rates are higher. Unlike in 2008, the government's fiscal health is not in great shape. Capital inflows in 2011 are lower than in 2008. "India's current account balance is not that different, and hence dependence on capital flows remains intact," says Ridham



Desai, Strategist and Head of India Equity Research at Morgan Stanley, in a research note. The global concerns increase risk aversion, which is a negative for equities, and will impact Indian stocks, too.

Despite that, experience suggests there is no reason to panic. When terrorists attacked the Twin Towers in the US in September 2001, the Sensex crashed. But in the next three years it went on to generate a smashing 84 per cent return. The results of the June 2004 general elections, in which the ruling BJP was unexpectedly defeated, again saw the Sensex tumble. But it climbed back, providing 200 per cent returns in the next three years. The 2008 sub-prime crisis and Lehman Brothers's collapse in the US sparked a global recession. But in less than three years, the Sensex has rebounded over 100 per cent.

"The message is simple," says Prashant Jain, Executive Director and Chief Investment Officer of HDFC Asset Management Company, in his latest newsletter. "If growth persists and if price to earnings is low, equity returns cannot be far, at least not too far." Parul Saini, Singapore-based India Strategist at The Royal Bank of Scotland (RBS) Asia Securities says from a medium- to long-term perspective, the higher growth trajectory of India versus the low or no growth in the developed economies should lead to more capital inflows to India. Moreover, India's exports to the US and Europe are less than six

per cent of its GDP, which means the economy will not be overly affected even if exports nosedive.

"While globally there is 'flight to quality', barring the US downgrade and the challenges in Europe, nothing has significantly changed for India," says Ashu Suyash, Managing Director and Country Head – India for Fidelity International.

Saini adds that from a short-term risk aversion perspective, India should fare better this time because of moderate valuations, muted for-

quarters have not been that impressive, and there has been pressure on margins and a drop in volumes. This, along with other macro concerns, has brought valuations down closer to the long term average. The BSE 500's price-to-earnings multiple is 14.11, while that of the BSE Sensex is 15.69.

"India is not cheap at current valuations," says Sinha. "The big problem in India is the divergence between quality stocks which are not cheap, and others. Stocks in sectors

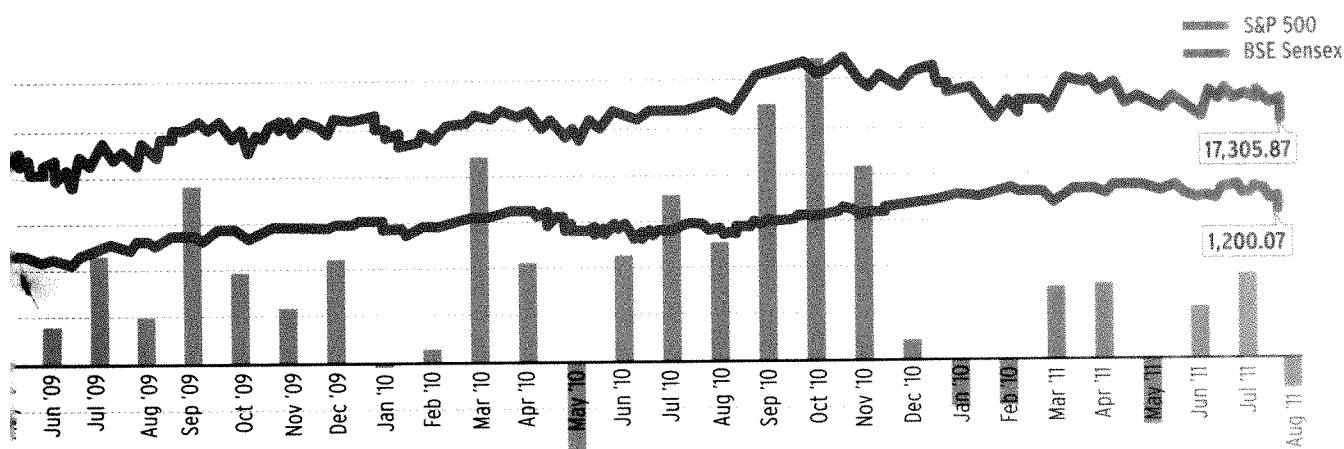
India should fare better this time because of moderate valuations, muted FII inflows, and significant under-performance of its equities versus the region

eign institutional investor, or FII, inflows, and significant under-performance versus the region. Indian equities have fallen sharply this year compared to other emerging economies, notes Boston-based Punita Kumar Sinha, Senior Managing Director at Blackstone Asia Advisors. However, along with Indonesia, India is the only market which has got positive FII inflows this year. "But of course, the inflows are low compared to last year," she says.

Besides rising interest rates and higher commodity prices, the other concern is corporate earnings. Corporate earnings in the last two

such as real estate and infrastructure, where growth is uncertain, are cheap, but consumer-oriented sectors are still expensive."

Finally, since the dampening factors are better understood this time than they were in 2008, there is no major reason to expect a double-dip. "A growth recession with no seizing up of capital markets is India's best case in the context," says Morgan Stanley's Desai. "Significant global stimulus or a breakdown in financial markets will hurt India on a relative basis as in 2008." Every bout of correction is a value buying opportunity. ♦





Lessons for India from the Global Crisis

The global economy is again on a roller coaster. The impact of excesses in the financial sector's balance sheets followed by those in government balance sheets in developed economies is keeping the global economy vulnerable. The recent trigger was a historic and contentious move by Standard & Poor's to downgrade America's long-term credit rating from AAA to AA+, while keeping its outlook negative.

It is too early to assess the long-term impact of the downgrade on various asset classes and the Indian economy. The lack of historical precedent makes the task of predicting the direction of the global economy more challenging. Also, the focus has now shifted to other AAA and AA countries with high debt, such as France, Japan, and Singapore. Any action by rating agencies on this front could spark another round of risk aversion in the global financial markets.

Impact on India

Inflation: The US downgrade and the concomitant sell-off in commodities may be a game changer for India. With global commodities showing signs of moderation, the upside risk to inflation is likely to be contained. But with risks to global growth intensifying, another round of quantitative easing by the US cannot be ruled out. This could fuel speculative demand for commodities and reverse 'sentiment' gains in managing our inflation expectations.

Fiscal consolidation: Softer commodity prices may help minimise fiscal imbalances with lower subsidy burdens. But continued stress in equity markets may make it hard for the government to achieve its disinvestment target. Likewise, maintaining buoyancy in tax collections may prove tough.

External account and financial stability: India may see a short-term reversal of portfolio flows. This may not be alarming, as the capital account is adequately

buffered by an expected revival in foreign direct investment inflows and robust external commercial borrowings. Even if global financial markets reach freezing point – which is unlikely – our external account would be far from vulnerable with foreign exchange reserves over \$300 billion, roughly 2.4 times the short-term debt. With rollover risks being modest, and the cushion of NRI deposits, the balance of payments risks appear manageable, considering that a fall in oil prices could actually reduce the current account deficit. Even if the Reserve Bank of India had to sell dollars to contain volatility in the forex market, negative impact on rupee liquidity is likely to be managed through open market operations or by cutting the cash reserve ratio.

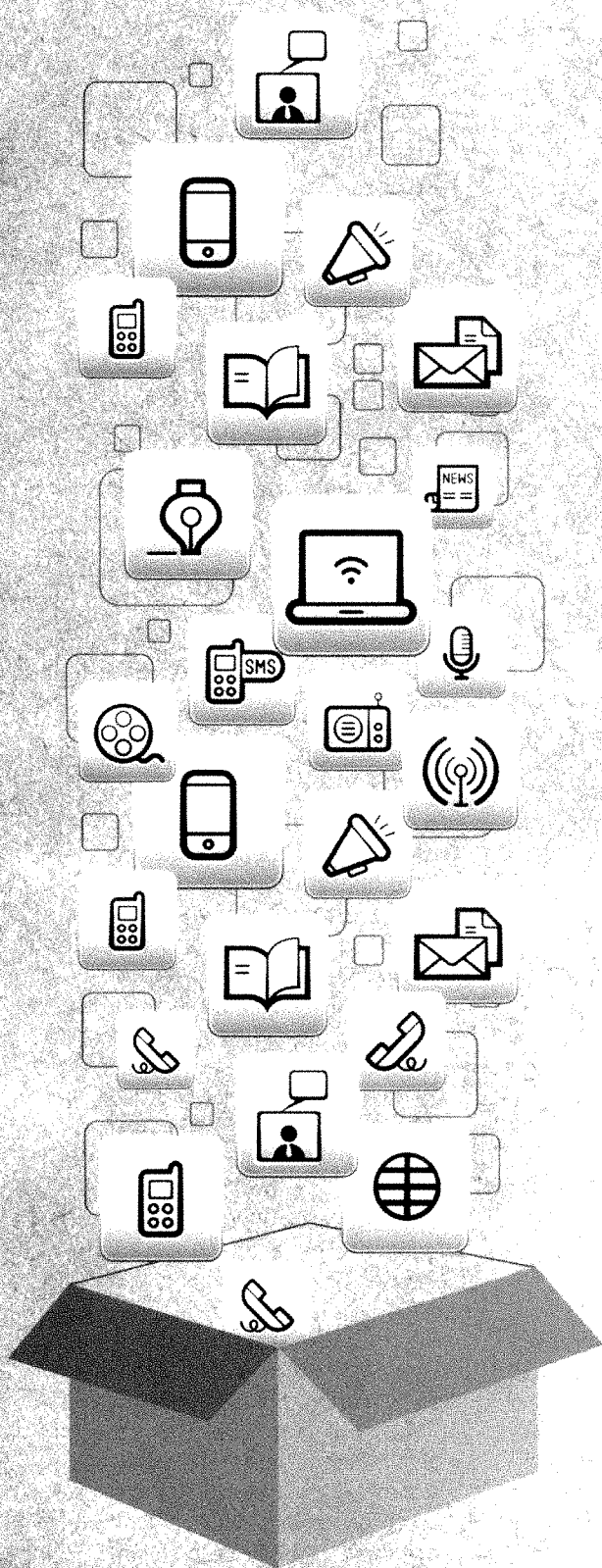
Growth: Inflation, rising interest rates, policy uncertainty in the domestic investment climate and global uncertainties have slowed India's growth momentum, particularly since April 2011. Of the drivers of growth – capital formation, government consumption, private domestic consumption and external demand – the last two are relatively unimpaired, but now external demand also appears vulnerable.

With global turmoil unlikely to abate soon, India could take the opportunity to learn lessons that will help in sustainable growth. The significance of fiscal consolidation has been underscored. It is imperative that India urgently restore fiscal discipline, as monetary policy alone cannot help manage inflation in the long run. Fiscal and monetary policies must work together towards price and financial stability.

At a time when advanced economies are grappling with uncertainty, India could orient its policies inward to accelerate growth. This calls for our lawmakers to be mature. Are we asking for too much? ♦

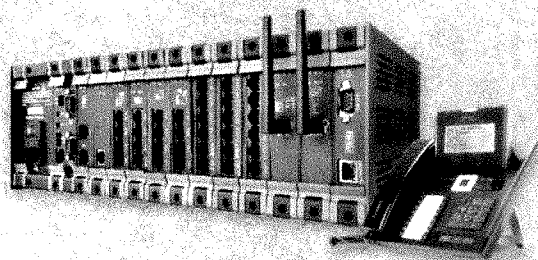
The author is President and Chief Economist, YES Bank

With the global turmoil unlikely to abate soon, India could use this as an opportunity to learn key lessons that will pave the way for sustainable growth



we put
more in the box
 so your business can think
more out of the box

Built on a unified communication platform, Matrix IP-PBXs seamlessly connect legacy, mobile and IP networks. Users can connect to the IP-PBX even from their Mobile and IP Phones and reach anyone, anywhere. These future-ready workhorses remove all network, time and geographical barriers. They ensure that your organization is more responsive and every member accomplishes more in less.



Features

- Legacy, ISDN, GSM/3G & IP Interfaces
- Open Standard SIP
- IP Trunking
- ISDN BRI/PRI
- T1/E1/QSIG
- Voice Mail with Email
- Video Conferencing
- Hot-Swap & Redundancy
- Flexible & Scalable

Functions

- Seamless Mobility
- Universal Connectivity
- Fixed-Mobile Convergence
- IP-PBX, Registrar & Proxy
- Integrated Gateway
- Branch-Offices Networking
- Least Cost Router
- Mission Critical Applications
- Hospitality Suite

IP-PBXs and VoIP Gateways

Enterprise • SME • SMB • SOHO

 **MATRIX**
TELECOM SOLUTIONS

Call: +91 99987 55555
 Email: more@MatrixComSec.com
www.MatrixComSec.com



Lemmings or Llamas?

For a while there, it looked like we would all, lemming-like, race each other to the edge of the cliff and into collective suicide. But then if you lowered your gaze a bit you saw a few gangly llamas stepping adroitly around the rock-falls and down the rough paths hewn into the cliff face. We had a choice – mass hysteria or nimble sensibility. And most of us chose the footwork.

Here are some facts: 73 per cent of Americans think their country is on the wrong track; only 47 per cent of Indians are optimistic about their economy and the majority are sceptical that the scandal-racked UPA government can rein in inflation; Fed Chairman Ben Bernanke, who had said he would never repeat the 1937 mistake by the US central bank of raising interest rates when the economy was delicately poised, fought off the hawks to promise low rates into 2013; most economists in India expect the Reserve Bank to raise rates for the 12th time in September. Our inflation-beating hopes still rest with the RBI, and fortunately straight-shooting Governor Duvvuri Subbarao has been granted an extension until 2013 – which may coincide, by the way, with the UPA likely being turfed out of power and the end of Bernanke's rate moratorium.

It's good to go back to mythology in troubled times. Hindu scriptures say that great sacrifice and devotion to a cause earned a warrior the right to use the *Brahmastra*, a weapon that annihilated its target. We are all making immense personal sacrifices and are devoted to the cause of a low-cost life, but that magical anti-inflation weapon eludes our leaders, and India's food price index rose 9.9 per cent in the year to July 30. Global market mayhem has caused oil and commodity prices to fall; that is good news for India, but will inflation start to nose down? The Federation of Indian Chambers of Commerce and Industry cites slowing industrial output as well as con-

sumer demand to argue that the RBI ought to reverse course and start trimming rates. But is business really hurting that much? Exports soared by 82 per cent in July. You decide if the glass is half full or half empty.

Matters are not helped by the fact that the world economy is in a mess. In simple terms, the governments that bailed out the banks in 2008/09 are now themselves weakened, and no longer have the appetite or the political backbone for permanently fixing the problem. Europe is very sick, and fears of its debt crisis crushing French banks triggered reverse infection on Wall Street. It doesn't really matter that Standard & Poor's has downgraded US debt. The world depends on the United States for trade and capital, and US debt is the biggest asset class. If everybody sells their holdings of US treasuries, there is no market left.

But then we are clutching at straws like the US unemployment rate, which fell to 9.1 per cent in July, and the last-minute debt ceiling pact hammered out by the US Congress. The reality is the US is on life support, and Asian creditors led by China, which holds \$1.16 trillion of US treasuries, control the intravenous drip. Asian central banks will not be dumping their dollar assets, but there is no doubt that US power is waning.

Does this mean the weakening dollar will give way to the rising yuan as the world's reserve currency? Will the Middle Kingdom eclipse the New World as a safe haven? Not likely in a hurry. China's inflation, too, rose in July, led by food prices, while growth in industrial production, retail sales and investment all weakened. Sound familiar? China is certainly not perceived as a "soft" superpower and is bound to raise hackles in its neighbourhood. No wonder Washington and Beijing are locked in a "you can't live with 'em, you can't live without 'em" situation. Strap yourself in and hold on to your armrests. It's going to be a rough ride. ♦

The US is on life support, and Asian creditors led by China, which holds \$1.16 trillion of US treasuries, control the intravenous drip. Asian central banks will not be dumping their dollar assets, but there is no doubt that US power is waning

Deutsche Bank
db.com/india

Worldwide strength has never
been this personal.

Best Global Bank
Euromoney Awards for Excellence 2011¹

Best Private Bank - India
Asiamoney Private Banking Poll 2011²

Passion to Perform



1. Awarded through a formal pitch submission process carried out among financial institutions active in the international market. 2. Awarded through a vote / poll conducted among high net worth individuals, directly in the country or across Asia, who have USD1 million - USD5 million funds under management. This advertisement has been approved and/or communicated by Deutsche Bank AG and appears as a matter of record only. The services described in this advertisement are provided by Deutsche Bank AG or by its subsidiaries and/or affiliates in accordance with appropriate legislation and regulation. Copyright © 2011 Deutsche Bank AG.



Rate Regime Gear Change Answer to Muted Earnings

Corporate results for the April-June 2011 period declared till date have been a mixed bag. Performance of companies in sectors like information technology, or IT, fast moving consumer goods, or FMCG, and private banks have been in line or above expectations. However, capital goods, infrastructure and cement sectors put up a below-expectations show.

While volume growth for most IT companies was in line and broad-based, renewed weakness in the developed markets has raised concerns on the demand scenario. However, in my opinion, only a double-dip recession will impact the demand for Indian IT companies. In fact, a period of slow growth in developed economies will lead to greater demand.

While most private banks also put up a show along expected lines, their net interest margin was lower due to higher cost of funds. With credit growth slowing down for the sector, we have to watch out for future growth. The recent global weakness and any consequent pressure on commodity prices may influence the Reserve Bank of India's future policy decisions.

FMCG companies reported a decent set of numbers on the back of sustained demand and pricing power. On the other hand, quarterly numbers from capital goods companies turned out to be a disappointment. Numbers reflected erosion in margins across product lines as companies were not able to pass on the higher raw material costs. There are also concerns about significantly lower order intake reported by companies, which is likely due to delays in decision making in the public sector. Even private sector companies have reportedly delayed decision making following the lack of clearer policies on issues like land acquisition and fuel linkages, to name a few.

Several infrastructure companies also reported below-the-line numbers as costly

raw material and higher interest costs impacted margins. The power sector continues to be plagued by fuel linkages and the lack of demand from the state electricity boards. The proposal for restructuring of the state electricity boards is a significant reform which will facilitate more power buying from generating companies, in turn lending support to spot power tariffs.

The quarterly results also reflect the impact of higher interest rates: most debt-heavy companies have reported higher interest burden. The RBI, in its bid to cool down inflation, has increased interest rates 11 times in the past 15 months and this has led to increased interest costs.

The apex bank's hawkish stance came as a negative surprise for most participants. While RBI's priority is clear – it remains committed to curb inflation – we now need to see its stance after the recent weakness in the global economy.

Going ahead, we believe, Corporate India is hoping for lower inflation and consequently, a benign interest rate environment. The recent weakness in the global economy may reflect in lower commodity prices, including crude. This will be a huge positive from the inflationary expectations and interest rates perspective.

On growth, we expect the government to take further steps to remove the operational and administrative bottlenecks. We are also hopeful that reforms, which have been long-pending, will be taken up and enacted during the current fiscal year.

Quick action on the fiscal side and a fall in crude prices will be the prerequisites for the markets to sustain current levels and move up in the medium to long term. Needless to say, any major negative global event will have its repercussions on the Indian markets as well. ♦

The author is Head, Private Client Group Research, Kotak Securities

Quick action on the fiscal side and a fall in crude prices will be the prerequisites for the markets to sustain current levels and move up in the medium to long term

Connoisseur

LINEN CLUB

FABRIC MADE FROM 100%
FRENCH & BELGIAN FIBRES

Look for the **LINEN CLUB** stamp of authenticity to make sure you own the purest of linen fabric

Exclusive showroom | New Delhi: Lajpat Nagar Ph: 29814056; Kamala Nagar Ph: 23848100; Nehru Place Ph: 9810264054, 9810036439 **Ghaziabad:** Old Navyug Market Ph: 4138126 **Jaipur:** Tonk Road Ph: 2720731; G. T. Road Ph: 2720786 **Jodhpur:** Circuit House Road Ph: 3263882 **Bhilwara:** Rajendra Marg Ph: 9314919264 **Thane:** Panchpakhadi Ph: 25376202 **Pune:** Laxmi Road Ph: 24452344 **Nagpur:** Opp. LIT College Ph: 3935999 **Latur:** Savewadi Ph: 255455 **Solapur:** VIP Road Ph: 2311303 **Aurangabad:** Big Bazar Complex Ph: 2342066 **Kolhapur:** Rajarampuri Ph: 2520964 **Ichalkaranji:** Kagwade Mala Ph: 2426689 **Sangli:** Sangli Miraj Road Opp. Jilha Parishad Ph: 02336612888 **Nanded:** Mahavir Chowk Ph: 242 032 **Nashik:** College Road Ph: 3918877 **Ahmedabad:** C. G. Road Ph: 30001207 **Surat:** Ghod Dod Road Ph: 2224917 **Kanpur:** Swaroop Nagar Ph: 3046729 **Indore:** New Palasia Ph: 2540421 **Raipur:** 77, Mahalaxmi Market, Pandri Ph: 2582134 **Lucknow:** M. M. Malviya Marg Ph: 4005252 **Kolkata:** Loudon Street Ph: 30225706 **Bengaluru:** Basaveshwara Nagar Ph: 41573683; Infantry Road Ph: 22867767; Off. Commercial Street Ph: 41611230/240; B. V. K. Iyengar Road Ph: 40993705; Jaya Nagar Ph: 41312686 **Udupi:** C. P. C. Plaza Ph: 4299144 **Mangalore:** Bunts Hostel Road Ph: 6563123 **Belgaum:** Sadashiva Nagar Ph: 2474166 **Hyderabad:** Lumbini Jewel Mall Ph: 64554828 **Secunderabad:** Pan Bazar Ph: 66314828 **Vijaywada:** M. G. Road Ph: 2496369 **Guntur:** Beside Hari Hara Mahal Ph: 2244554 **Cochin:** Ravipuram Ph: 2370808 **Calicut:** Red Cross Road Ph: 6499299 **Coimbatore:** R S Puram Ph: 6459988 **Chennai:** Opp. Shree Mithai, Chetpet Ph: 2836 2768 **Goa:** General Bernado Guedes Road, Panaji Ph: 2224198/99 **Hubli:** Deshpande Nagar Ph: 2350501 **Karad:** Market Yard Ph: 9850535215 **Dubai:** Dubai Pyramid Building, Opp. Burjuman Centre Ph: 00971-4-396828

Opening shortly at Mumbai, Gulbarga & Kolkata

Jayashree Textiles, Unit of Aditya Birla Nuvo Ltd. Tel: (033) 2600 1200

All-season fabric. Available at all leading fashion stores across India | www.linenclub.com  www.facebook.com/linenclub

For franchisee enquiry, contact: tanmay.kundu@adityabirla.com, Ph: 9088101385

Light and Shadow: The new Bharti Airtel building in Gurgaon, part brightly lit and part in darkness, mirrors the trouble the company is in

Wring Tone

An ambitious reorganisation at Bharti Airtel could return it to its vibrant past, but only if the mobile phone services market gets less bloody. By SUNNY SEN

VIVAN MEHRA/www.indiatodayimages.com

The façade of the Gurgaon headquarters of Bharti Airtel grabs the attention of night commuters on the Delhi-Jaipur highway that runs in front of the building. Some would call the red and white horizontal stripes across the building, when lit, bright. Others would say they are garish.

But step into the concourse and you have the stunning sight of a five-floor, 60-ft high mural of a well-grown tree on a bright yellow and orange background. At night, its design – by artist Manav Gupta – is

meant to contrast with the rest of the building of mostly open space offices, stark in its plain glass windows and white lighting.

Such a contrast, curiously, is playing out in the lifecycle of Airtel, as the largest telecom company in India is commonly known. It has had a brilliant history racing to the No. 1 spot by telecom revenues and customers in India, after shedding a legacy of small-time trading and manufacturing. A history of bold moves that redefined the industry with an extreme outsourcing business model, a consumer goods-like

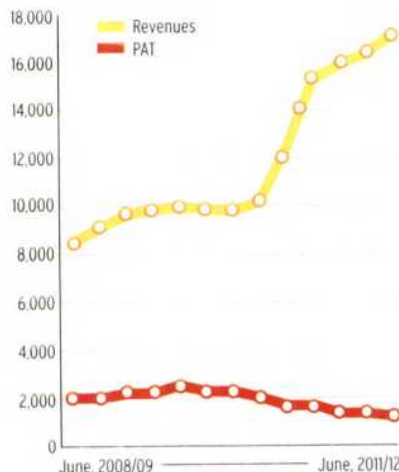
penetration in distribution and never-before low user tariffs. All of which built a business that was at its peak ranked shoulder-to-shoulder with India's most valuable firms, Reliance Industries and Oil and Natural Gas Corporation, giving it muscle that it flexed in taking an audacious leap into Africa, arguably the next big and last emerging market.

Today, though, things are dark for Airtel. From March 2010, its profits have nearly halved. In the April-June quarter just gone by, the company's profits after tax have



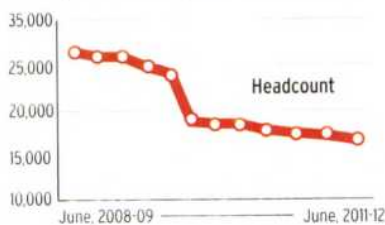
Fat Revenues, Thin Profits

Airtel's revenues grow, but net profits taper down...



Figures in ₹ Crore

...despite reducing staff 37 per cent



Figures for the last 13 quarters starting June 2008/09
Source: Company

shrunk 28 per cent to ₹1,215 crore from a year ago. This was a result of competitors pulling down user tariffs to as little as 30 paise a minute and interest costs mounting on its \$10.7 billion acquisition of networks in 16 African countries from Zain, a Bahrain-headquartered company.

Sanjay Kapoor, CEO for Bharti

Airtel's India operations, thinks he knows how to return Airtel to its glory days: a reorganisation of the company that all but upturns the structure it has created in its 17-year history as a mobile phone services firm. This reflects the change in business strategy from being a voice-centric company to one that is

in "life enrichment and data services", says Kapoor. "A transformation of this scale by putting all businesses together and giving them a customer perspective is probably the biggest change we have carried out in the past decade."

At its core, the restructuring, which got underway August 1, appeals with its simplicity: do away with silos that sold the company's three main offerings of mobile phone services, broadband and direct to home, or DTH, TV service through separate CXO-level business heads. Instead, integrate them into a common go-to-market team divided under three regional heads – each reporting to Kapoor, instead of the earlier business heads – covering all of India, Bangladesh and Sri Lanka.

In effect, the same team will sell the three services. "The customer does not see us as mobile or telemedia (broadband) or DTH; he sees us as Airtel," says Kapoor, who is seen in the company as a driven roll-your-sleeves-up doer even if not a great people person. The mobile, broadband and DTH TV businesses make for more than 90 per cent of Airtel's revenues of ₹59,467 crore in 2010/11, including Africa sales.

Kapoor, who joined Airtel in 1998 from Xerox India and ran West India as a region for the company in his early years, believes there are significant synergies to be harvested from the reorganisation. "HR, finance, support, SCM... there are lots of synergies to be had," says Kapoor. "What applies in mobile can be applied in fixed line and DTH, and then the reverse can happen." He will not be pinned down on the effects of the

An MBA with a Unique Scholarship & Placement Scheme

MBA

+ PGPM + ERP - 2 Years

Scholarship Amount

UG Marks: Above 90% ₹80,000/-, 80%-89.9% ₹50,000/-, 70%-79.9% ₹25,000/-, 60%-69.9% ₹10,000/-

IIM Rankings

- India's Top 10 Private & School Brand '11
- Rated Among Top Business Schools of India '12
- Top 21 Best & School South India
- Best Innovation & School '10

IIM BUSINESS SCHOOL

ISO 9001:2008 Certified Institution

COURSE ADVANTAGES

- Placement Guarantee Scheme*
- Full Time Campus Education
- Batches for working Executives
- SoftSkills & Personality Development
- A/C Lecture Halls • Free Laptop
- Wi-Fi Facility • English & Foreign Language Training
- Well Equipped Labs & Library
- Internships & DJT
- Well Qualified & Experienced Faculties
- Education Loans
- Foreign Trip options*
- Highest Salary offered Rs. 18 lacs p.a.
- SPL Scholarship for college toppers

Chennai Campus - 17A, Muthuramalinganar Street, Rajaji Colony, Saligramam, Chennai - 600 093.
Ph: +91-44-23762455 / 66 | Mobile: 95000 09914

Calicut Campus - IIM, Bhat Road, West Hill Chungam, Calicut - 673 005. Ph: +91-495-6451252 / 2385735 / 36
Mobile: 98090 02000 Email: info@iim.in Website: www.iim.in

change – stock market rules do not allow publicly-listed Bharti Airtel to make statements that may have a bearing on share prices – but says changes will be seen in six months and he expects a “multiplier effect” on operations.

Analysts think the reorganisation makes sense if executed well. “It helps you get some efficiency in the processes and save a lot of cost,” says Shobit Khare, a telecom analyst at Mumbai brokerage Motilal Oswal, who tracks the company daily.

Industry executives say the reorganisation is not a day too early. Airtel has “not been able to align its business properly. Businesses like DTH are not doing quite well; even the fixed line business is not making too much,” says a senior executive at Idea Cellular, insisting on anonymity.

The Idea Cellular executive also points to the large number of employees Airtel has. Kapoor and his team have been working on bringing staff numbers down but it is still a work in progress. In the last 13 quarters, Airtel’s headcount has gone down by more than one-fourth

dundant,” he says. He expects that for the majority of Airtel staff, roles will become larger, and for some roles might change.

The big picture for Kapoor is that the company will become agile as it removes layers for faster decision-



A transformation of this scale is probably the biggest change we have carried out

Sanjay Kapoor, CEO, Bharti Airtel

to 16,545 employees from 26,144. The Idea executive points out that the company is still overstaffed: “We operate with only 7,000-odd people.” If benchmarked by Idea’s subscribers to staff ratio of 13,500, Airtel should not have more than 12,500 employees. That is, it has about 4,000 people in excess.

Newspapers have reported that Airtel expects to let go about 2,000 employees in the current restructuring but Kapoor will not confirm the number. “Whenever you do any such reorganisation, some roles get redefined and recalibrated, roles become much larger, and roles become re-

making. There were seven layers between him and the sales agent pounding the street; now there will be five.

Pull to a 10,000-ft high view and a bigger picture emerges: a war among phone operators for market share triggered by newcomers to the industry hungry to get a toehold in a market of nearly 600 million customers. Entrants such as Uninor and MTS are making do with an average revenue per user, or ARPU, of as little as ₹45 a month, impacting even market leaders such as Airtel, which see their monthly per customer billings shrinking to ₹190 from about

₹280 in June 2009, a few months before the price war started with Tata DOCOMO introducing its per second billing plan.

Kapoor and other incumbent mobile phone operator CEOs have complained that how there are too many phone firms in India – 13 at last count – and maintained that newcomers are not even covering their marginal costs of operations. Companies across the industry have in recent weeks started raising tariffs on pre-paid plans. On some plans, the increase is as high as 20 per cent, with hopes in the industry that this will stop the continuous downward slide in ARPU.

But the analyst community is not convinced this will last. “We think the recent tariff hikes will not sustain beyond two to three quarters,” Jyotivardhan Jaipuria, research analyst at DSP Merrill Lynch, wrote in August in a report on Bharti Airtel.

Airtel has other cost control measures in play, as well. The company has crimped on the money being pumped into marketing channels. Distributors and Airtel rivals say the company has reduced dealer margins by more than five per cent – 0.5 to 0.8 percentage points. The message is clear: the company wants to concentrate more on high ARPU customers and not on the churn in the market, which typically is of low ARPU yield. (Kapoor says such a minor decision on distribution margins would normally not come up to his level and that he is not aware of it.)

Kapoor says Airtel is a “people independent” company but the reorganisation he is leading is by far the biggest challenge in his professional life as a CEO. And he will have to deliver the transformation virtually alone. Other leaders of the company, such as Group Chairman Sunil Mittal, Deputy Group CEO Akhil Gupta and Manoj Kohli, now in charge of Airtel in Africa, are busy a continent away – turning around the company’s Africa operations. ♦

WHY STUDY AT THE ISB WHEN YOU ALREADY HAVE A REWARDING JOB?

Many are gifted a path that offers a quality life - a good job and a secure future. Some settle for it. But then, there are some who simply refuse to be one among the rest. The Indian School of Business was set up for those of you who choose to redefine - your career, your life, and the world. This is why we offer

a programme that sets you on a journey of transformation. So you go from being a part of a reputed organisation to creating a successful one. From generating revenues to creating wealth. And most importantly, you turn your one year investment at ISB into a lifetime of leadership.



The ISB's one-year Post Graduate Programme in Management has been consistently ranked among the top 20 globally. Admissions are underway for the PGP Class of 2013 for Hyderabad and the upcoming Mohali campus, through a common application process. For details, write to us at pgpadmissions@isb.edu, call +91 40 2318 7474 or visit www.isb.edu/pgp. Application deadline: Cycle 1 - September 15, 2011 and Cycle 2 - November 30, 2011.



In Need of Some Steel

Iron ore supply is not the biggest problem before JSW Steel. Sajjan Jindal and his team need strong nerves to fight the Lokayukta's charges. By PUJA MEHRA and K. R. BALASUBRAMANYAM

In the normal course, JSW Steel, the country's second largest steelmaker, would not have given much thought to a sum of ₹10 crore. The group spends 1.5 per cent of profit every year on activities related to corporate social responsibility, a long name for charity. JSW Steel, along with sister company JSW Energy, turned in a combined ₹2,852 crore as profit last financial year. That leaves nearly ₹43 crore to give away. Therefore, JSW insiders say they would not have sweated much while writing a cheque of ₹10 crore to Prerana Education Trust.

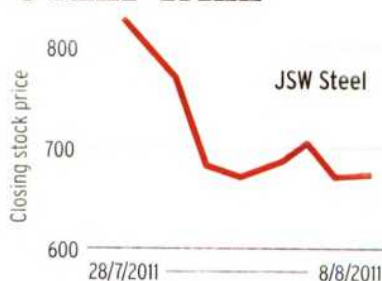
The trouble is that Santosh Hegde, the former Lokayukta, or

anti-graft watchdog, of Karnataka, reads a lot more into this. Hegde, who authored a report on illegal mining as the Lokayukta, says it may not be a coincidence that Prerana is run by the family of B. S. Yeddyurappa,

who resigned as Chief Minister on July 31 amid corruption charges.

In addition to this, South West Mining, an associate company of JSW Steel, bought an acre of land in Bangalore for ₹20 crore from Yeddyurappa's immediate family. Seshagiri Rao, Joint Managing Director and Group Chief Financial Officer with JSW, says this was the market rate; Hegde says it was 20 times more than the state government's guidance value. These, according to Hegde, are the key to JSW producing more steel than it could have with its legitimate iron ore quota (see interview "Who Would Raise Loans to Do Charity?").

STEEP FALL



Bad news was coming in torrents for JSW Vice Chairman and Managing Director Sajjan Jindal, who in recent times has emerged as a frontline business leader, especially after he acquired Ispat Industries last December.

The Lokayukta report, which also names Adani Enterprises and NMDC, adds insult to the injury caused by the Supreme Court order of July 29 banning mining in the Bellary-Hospet-Sandur region of Karnataka, a belt that yields a third of all iron ore produced in India and feeds 25 million tonnes of steel production across the country.

JSW, which has built a capacity of 10 million tonnes a year at its Bellary plant, needs 57,000 tonnes of iron ore every day to run it at full tilt. Little wonder, then, that the JSW Steel stock plunged 10.3 per cent on August 1, the first day of trading after the ban order. The company was forced to cut production in Bellary by 30 to 35 per cent after the ban. The production is slated to rise to 80 per cent after the Supreme Court allowed NMDC to resume mining in Bellary. But, as of August 10, the stock was still down 15.2 per cent from its close of July 29. That makes industry watchers wonder if it is really all about the ore.

JSW, meanwhile, is playing the victim. "Our application for a captive mining lease has been pending with the state government for 15 years," says Rao, pointing out that the company has invested ₹33,500 crore in Karnataka even as the mining lease has been held up.

But NMDC, owned by the government, has waited longer. "Our application has been pending for 21 years," says Chairman and Managing Director Rana Som.

Perhaps it is more imperative for JSW to deal with Hegde's charges. ♦

"Who Would Raise Loans to Do Charity?"

JSW Steel called a press conference to refute all charges levied in the mining report of Karnataka Lokayukta SANTOSH HEGDE. In an interview with K.R. BALASUBRAMANYAM, Hegde, who is now retired, punches holes in the company's defence. Edited excerpts::

On JSW Steel's stand that a group company's donation to a trust associated with former Karnataka Chief Minister B.S. Yeddyurappa is above board:

Our findings about JSW Steel are based on proven facts and records furnished by the Income Tax department. South West Mining is a financially weak company run with the help of bank loans. Why would such a company donate ₹10 crore to a trust (Prerana Education Trust) run by members of the chief minister's family? Would anybody raise loans to do charity? There are thousands of trusts in Karnataka, how did this company zero in on Prerana?

The company and the trust are wholly unrelated, and the trust is not carrying out any activity that would otherwise benefit the employees of South West Mining. Why would a big company like JSW Steel route this donation through this small mining company and not pay on its own? The Lokayukta gathered all records which have established that this money indeed originated from JSW Steel. The Income Tax department is investigating this case.

On the company's insistence that it paid the "market rate" for a plot bought from Yeddyurappa's family:

South West Mining has paid ₹20 crore to buy an acre of land in Bangalore from the chief minister's sons while the guidance value was just about ₹1 crore. In this case, too, the money has come from a JSW Group company – Jindal Praxair Oxygen Company.

On the company's contention that sellers of iron ore, not buyers, should be held accountable for illegal mining:

There is a mismatch between the steel produced by JSW Steel and the iron ore it has sourced. (The report mentions that JSW Steel received excess iron ore to the tune of 1.29 million tonnes.)

On the company's defence that it cannot be said to have benefited since it has not received a captive mining lease in 15 years:

We must remember that the application is still pending. ♦



The Big Shuffle

A fight for autonomy, scramble for faculty, foreign players at the doors... Indian business education is awash with change this year. But the biggest change is in *BT's* ranking of B-schools. By SHAMNI PANDE

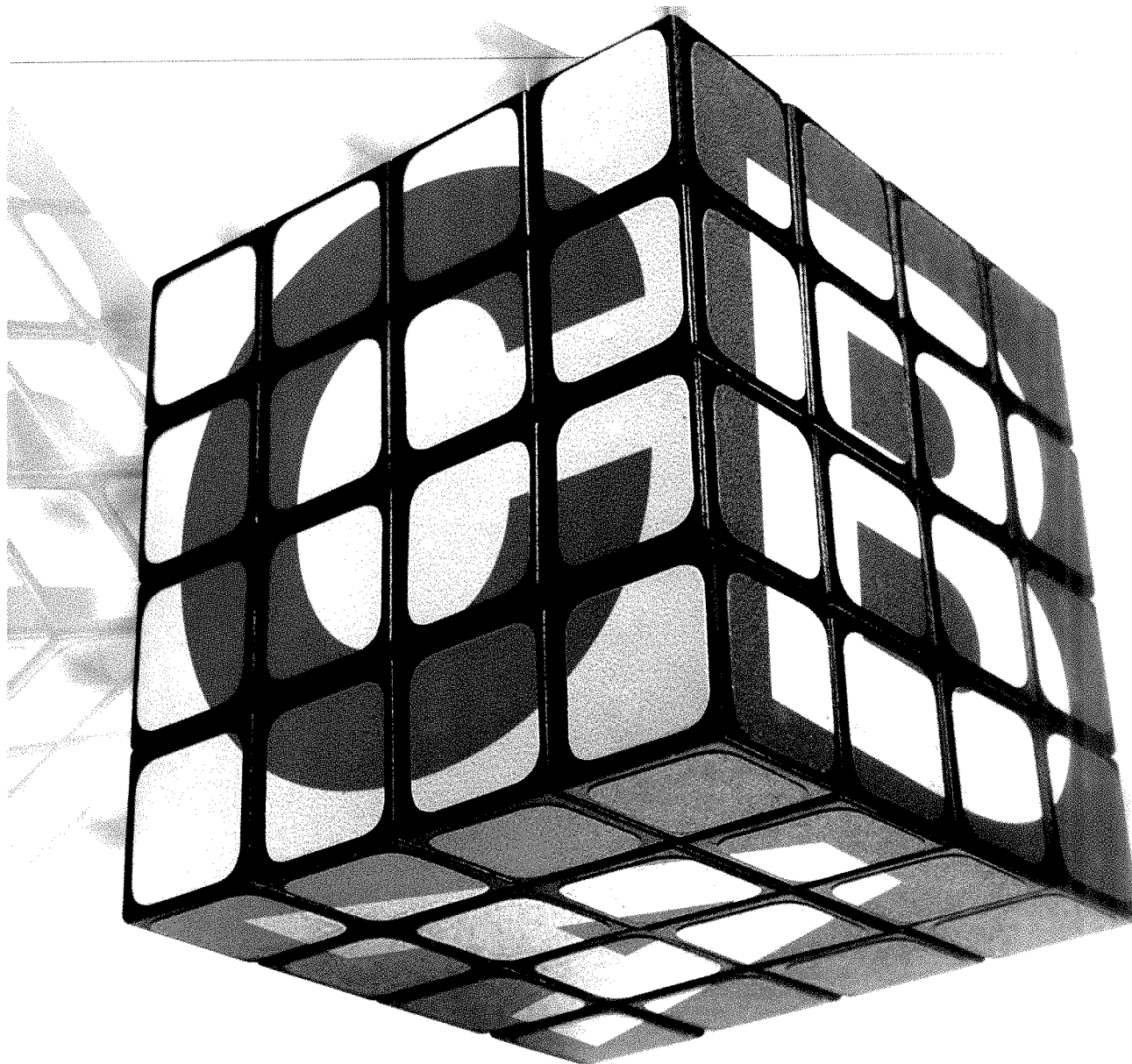
Around 2,500 years ago, Greek philosopher Heraclitus of Ephesus had pronounced: "The only constant in life is change." Think of change as a never-ending game – 'The Change Game', if you like. As in every other sphere, The Change Game resonates through the 2011 edition of *Business Today's* annual special issue on business schools, or B-schools, as well.

So, ladies and gentlemen, let us begin from the very top. The familiar order of A-B-C – or Indian Institute of Management (IIM) Ahmedabad, IIM Bangalore and IIM Calcutta – played itself out eight times in the 11 earlier rankings we have done since 1998. But in this year's *BT*-Nielsen ranking of India's Best B-schools, the top trio has shuffled into B-C-A. For the first time since 2002, IIM Bangalore finds itself perched at the top. What has helped it most is its unmasked ambition for growth and an increased thrust on research (see *In the Spotlight* on page 72).

Another significant change is in our methodology to rank the B-schools. For the past eight years, the responses of a perceptual survey by our partner Nielsen were wrung through its 'Winning Brands' model to arrive at brand equity scores to rank the B-schools. This year, too, we did a perception survey.



See also www.businesstoday.in/bestbschools



HSO ENVS

The Top Ten

The big jumps and big falls

RANK		B-SCHOOL	OVERALL SCORE (Indexed to 100)	
2011	2010			
1	2	IIM Bangalore	100	▲
2	3	IIM Calcutta	99.4	▲
3	1	IIM Ahmedabad	99	▼
4	8	IIM Indore	93.1	▲
5	5	IIM Lucknow	91.7	—
6	12	IIM Kozhikode	87	▲
7	11	IIFT Delhi	84.5	▲
8	7	ISB Hyderabad	83.2	▼
9	15	IIM Shillong	83	▲
10	4	FMS Delhi	81.8	▼
10	6	XLRI Jamshedpur	81.8	▼

▲ Up ▼ Down — Same

For the full names of the institutes, see page 66

The Others...

RANK		B-SCHOOL	OVERALL SCORE (Indexed to 100)	
2011	2010			
12	37	SCMHRD Pune	81	↗
13	13	SIBM Pune	78.6	→
14	16	DMS IIT Delhi	78.4	△
15	19	SPJIMR Mumbai	77.6	△
16	23	NMIMS Mumbai	77.2	△
17	14	JBIMS Mumbai	75.3	▽
18	32	TISS Mumbai	73.6	↗
19	10	ICFAI Hyderabad	73.1	▽
20	22	ICFAI Mumbai	72.6	△
21	21	BIMTECH Gr. Noida	71.9	→
21	25	DMS IIT Kanpur	71.9	△
21	34	IIPM Mumbai	71.9	↗
24	20	IMT Ghaziabad	70.7	▽
24	33	XIMB Bhubaneshwar	70.7	△
26	New Entry	XIME Bangalore	70.4	
27	24	MDI Gurgaon	69.1	▽
28	35	BITS Pilani	69	△
29	17	DMS IIT Roorkee	68.9	↘
30	18	K.J. Somaiya Mumbai	68.7	↘

△ Up ▽ Down → Same ↗ Big Jump ↘ Big Fall

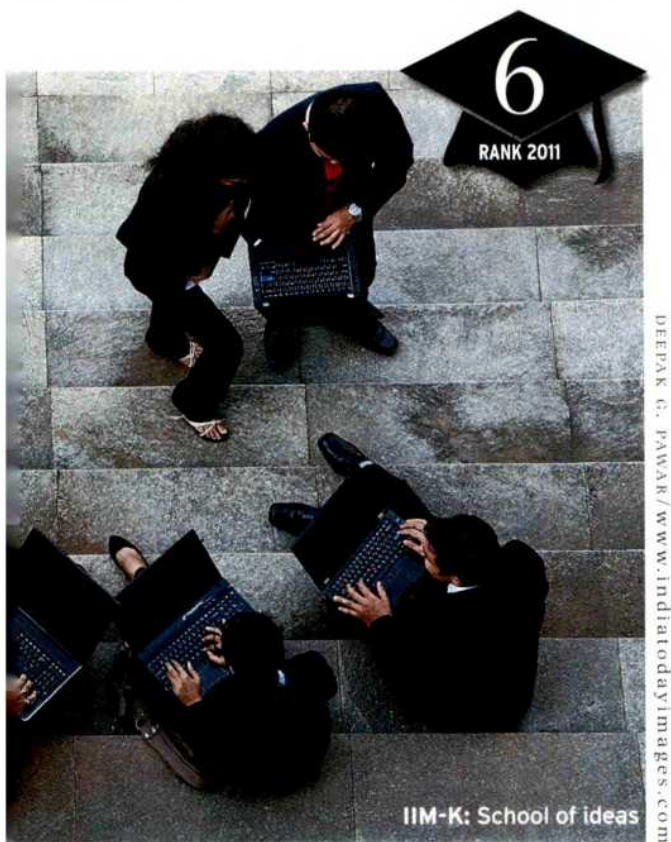
For the full names of the institutes, see page 66



but did not apply the Winning Brands model. Instead, scores were assigned to the responses of the five groups of stakeholders – MBA aspirants, current MBA students, young executives at companies, recruiters (human resource heads and functional heads), and permanent faculty of B-schools – across various parameters. These scores were aggregated, the highest scorer was assigned a score of 100, and the remaining scores were indexed to it (see *How We Ranked Them* on page 64). This makes the scoring more linear and simpler.

In the context of business education in India, an MBA degree from an IIM has always been the key to riches, glory and recognition. This year's ranking of the Top 10, too, suggests that at a time of turbulence in the economy, global and local, brand IIM is considered the safe house. For the first time ever, the top six colleges are all IIMs. The B-C-A trio is followed by IIM Indore (IIM-I), IIM Lucknow (IIM-L) and IIM Kozhikode (IIM-K), in that order. While IIM-I and IIM-L are familiar members of the Top 10 club, IIM-K rejoins it after nine years (see *Dramatic Rise*). IIM Shillong, too, joins the snoot club in style this year, catapulting to #9 from #15 last year.

Naturally, others have wilted. The Indian School of Business (ISB), Hyderabad, a top-tier school in the league of the IIMs, has dropped one slot from #7 to #8. The two institutes that share the #10 rank,



Faculty of Management Studies (FMS), University of Delhi, and XLRI School of Business and Human Resources, Jamshedpur, have also taken a tumble, from #4 and #6, respectively, last year. Only Indian Institute of Foreign Trade (IIFT), New Delhi, shot up to #7 from #11 last year. That it is increasingly gaining equity in the B-school ecosystem is evident from the fact that last year, too, it had jumped to #11 from #17 in 2009. Backing these changes are vital insights on crucial shuffles at the very foundation of the system that schools the business leaders of tomorrow.

The Vital Triggers

Hard questions are being asked: Do our schools shape enough young leaders? What measures are the B-schools taking to reform their pedagogy? Why will our young, bright talents opt for Indian institutions, if they can study abroad? What will the entry of foreign B-schools mean for their Indian counterparts?

In its golden jubilee year, IIM-A has come up with some answers of its own. "Our vision is to build on 'thought leadership', and come up with new paradigms in management thinking which are different from western models," says Samir K. Barua, Director, IIM-A (see *Nifty at 50*). Barua's statement comes at a time when leaders such as Jairam Ramesh in governance and N.R. Narayana Murthy of Infosys have accused top institutes of not doing enough research. Others such as

IIM-K Dramatic Rise

IIM Kozhikode is back in the top 10, jumping from 12th place in 2010 to sixth this year. It last figured in the top 10 list in 2002. The reasons are many. It has made up for its relatively isolated location by pioneering satellite-based postgraduate diploma programmes in management for executives, so they no longer have to be physically present on the campus to participate. Around 300 executives are currently enrolled in the main two-year programme – there are some short term ones, too – paying a total fee of ₹5.25 lakh each. "Our fee income from the satellite programmes has gone up 20 times in the past two and a half years," says IIM-K Director Debashis Chatterjee.

IIM-K also boasts greater gender diversity than most other management institutes – this year 35 per cent of the 341 students admitted were women. "In the past decade, IIMs had an average of around 10 per cent women students," says Chatterjee.

The current passion of the 46-year-old director, who has also written five books, most of them drawing management lessons

from ancient Hindu texts, is to set up a unique museum on Indian business history on the

campus. Business houses and global thought leaders have been sending in material for it. "We are a school of ideas with a mission for globalising Indian thought," he insists.

The world is an oyster for IIM-K students, but a good number is moving into entrepreneurship rather than taking up corporate jobs. Take Amit Kourav, hailing from Narsinghpur, Madhya Pradesh, who graduated from IIM-K this year. He struck a deal with DC Books, Kerala's largest publisher, to start High Octane, a coffee shop with a difference, on the IIM-K campus. It sells both books and a range of hot beverages – and is often the venue of academic discussions, too. Chatterjee delights in students like Kourav, who represent a generation bold enough to walk the extra mile.

K.R. BALASUBRAMANYAM



See videos at
www.businesstoday.in/iimk

The Others...

RANK		B-SCHOOL	OVERALL SCORE (Indexed to 100)	
2011	2010			
31	31	IIPM Delhi	67.3	➡
32	New Entry	ITM Mumbai	66.2	
33	36	XISS Ranchi	65.7	⬆
34	30	NIM Ahmedabad	65.1	⬇
35	46	SJMSM IIT Bombay	65	⬆
36	49	MICA Ahmedabad	64.7	⬆
37	42	IMI Delhi	64.2	⬆
37	40	LBSIM Delhi	64.2	⬆
39	New Entry	VGSOM IIT Kharagpur	63.7	
40	New Entry	IRMA Anand	63.4	
41	27	ABS Noida	63.1	⬇
42	41	Goa Inst. of Mgmt.	62.3	⬇
43	48	NITIE Mumbai	62.2	⬆
44	29	L.N. Welingkar Mumbai	61.3	⬇
45	New Entry	DMS IIT Chennai	60.4	
46	39	FORE Delhi	59.6	⬇
47	9	LIBA Chennai	59.1	⬇
47	50	TA Pai Manipal	59.1	⬆
49	28	CCIM Bangalore	58.5	⬇
50	New Entry	DMS Osmania Univ. Hyderabad	58.1	

⬆ Up ⬇ Down ➡ Same ⬆ Big Jump ⬇ Big Fall

For the full names of the institutes, see page 66

Pritam Singh, Director General, International Management Institute, or IMI, suggest Indians have clung slavishly to western models of thinking that are inadequate for Asia.

Happily, good institutes admit to their need for research, and some have already initiated moves to create intellectual property. For instance, IIM-C has set up a finance lab that gets real-time data and news on companies from different stock exchanges. These are then converted into sentiment scores to predict share price movements. Unfortunately, "For this lab, we were sanctioned ₹20 crore from the government, but the money has not come yet," says Shekhar Chaudhuri, Director, IIM-C.

At another level, B-schools are layering functional programmes with courses that equip students with soft skills. IIM-L, for instance, has an elective on leadership



IIM Indore: Up to #4 from #8 last year

through literature. And Pramath Sinha, founding dean of ISB Hyderabad, has initiated an alternative value-add to education with The Young India Fellowship, a one-year course in New Delhi that includes subjects such as Listening, Psychology, Plato's Republic (Philosophy), and Critical Thinking and Writing, besides regular management content (see *Skilling Them Softly* on page 98).

The Foreign Hands

A big change on the horizon is The Foreign Education Bill, which once approved by Parliament, will allow the entry of foreign universities and other education providers into India. Should our B-schools be worried? "Yes, good institutions are likely to come, and we could all do with some healthy competition," says IIM-A's Barua.

Some are already here. For instance, Glasgow-based Strathclyde Business School has set up the Strathclyde SKIL Business School (SSBS) in Greater Noida partnering



Recognized by UGC under Section 2(f) of the University Grants Commission Act, 1956 by the Notification No. F.9-10/(CPP-1)

Member of Association of Indian Universities (AIU), New Delhi

INDIA'S LARGEST UNIVERSITY¹

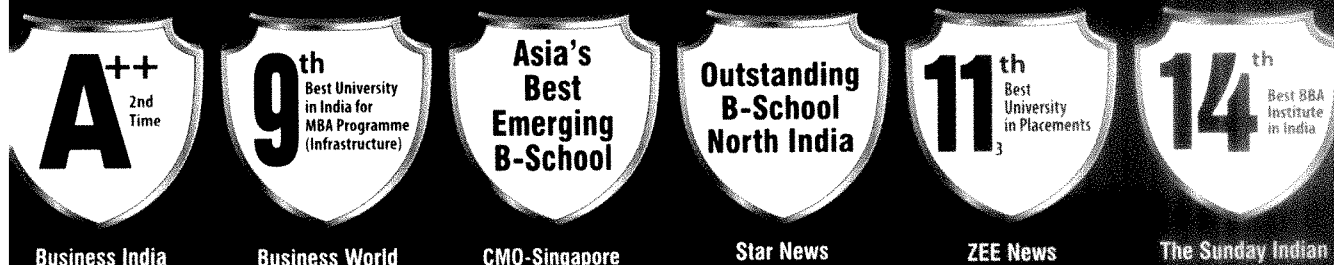


L OVELY
P ROFESSIONAL
U NIVERSITY

Transforming Education Transforming India

MANAGEMENT PROGRAMMES

LPU's Management Programmes are focused on producing the next generation leaders as well as managers. LPU has been credited for delivering one of the most comprehensive and innovative programmes by TOP MAGAZINES, NEWSPAPERS & TV CHANNELS including



¹. In terms of number of Students on a single campus

RECORD PLACEMENT IN FORTUNE 500 COMPANIES

More than 300 Global & Indian Superbrands including Accenture, TCS, Infosys, Samsung, IBM, Nestle, Wipro, Convergys, Axis Bank, DELL, Head Strong, Sasken, Bank of America, Airtel, Ranbaxy, Royal Bank of Scotland, Smart Chip, HCL, Cipla, Johnson & Johnson etc. have recruited LPU students.

STUDY ABROAD OPPORTUNITIES IN 25+ FOREIGN UNIVERSITIES

Globalized aware HR is the need of corporate world. Thus the University provides numerous global exposure opportunities to the students through study abroad programmes in more than 25+ Universities in USA, UK, Australia, Canada, Singapore, Brazil, Poland and Ghana.

WORLD CLASS INFRASTRUCTURE

600+ acres campus with independent buildings for each department, in-campus hostels with attached washrooms for 15000 students, well equipped labs & a world class IT infrastructure with 500 Mbps of dedicated lease line, Cisco enabled wi-fi campus.

CULTURAL DIVERSITY

25000+ Students from 25 Countries & 28 States

- MBA
- MBA (Hons.)
- MBA (International Business)
- MBA (Hospital & Healthcare Mgmt.)
- MBA (Entrepreneurship & Retail Mgmt.)
- MBA (Information Technology)
- BBA
- BBA-MBA (Dual Degree)
- BBA-IT
- BBA (Hons)
- BBA (Hons)-MBA (Dual Degree)
- BBA (Lateral Entry)

INTERNATIONAL PROGRAMMES

Study at USA/UK/CANADA/AUSTRALIA

at approx. 50% of the cost of completing the entire programme abroad
with Twinning Arrangement

Half Programme in LPU, Half Programme at Foreign Partner University

- MBA
- BBA

Get The Advantage of

- A Globally recognised International Programme degree from Foreign Partner University
- Flexibility to complete the Programme at LPU also
- SAT score not required for most of the Partner Universities
- GMAT Guidance Classes being provided for MBA programme

LOVELY PROFESSIONAL UNIVERSITY

JALANDHAR-DELHI G.T. ROAD (NH-1). PHAGWARA, PUNJAB (INDIA)-144402

Call us at: 1800-102-4430

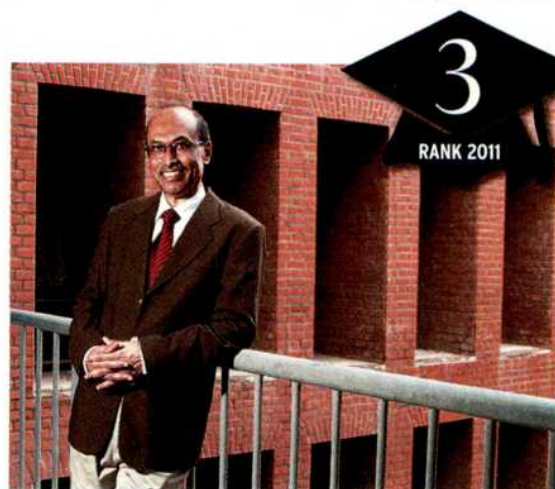
admissions@lpu.co.in

Visit us @ www.lpu.in



IIM-A Nifty at 50

At 50, the iconic IIM Ahmedabad is in the throes of change: this is evident in its thinking about its identity, strengths, goals and its pedagogy. Director Samir K. Barua wants its curriculum to reflect contemporary realities. "We have been beholden for far too long to Western concepts and ideas. We need to give currency to our own experience," he says. The institute is now aggressively pursuing a plan that will allow its faculty time for research. "We need at least 30 more staff members, which is not easy. In fact, we have put our growth plan on hold, to give faculty time for more research," adds Barua. In a bid to make its curriculum assimilative, it has launched a course on Contemporary Film Industry. Not just that, IIM-A's Centre for Innovation, Incubation and Entrepreneurship now offers its alumni opportunities as angel investors in fledgling ventures nurtured there and also mentors them. Its agenda for future



Changing times: Director Samir K. Barua

includes establishing campuses in other countries close to India. IIM-A intends to further consolidate its presence in management leadership. "We lead in the management education space and have provided top talent to companies, hence our vision is to provide 'thought leadership' as well," says Barua.

SHAMNI PANDE

the Nikhil Gandhi-promoted SKIL Infrastructure. "Strathclyde will completely control the quality of education by providing the curriculum, faculty and also student exchange for a term," says Bhimaraya Metri, Dean of SSBS, who recently joined it from Management Development Institute (MDI) Gurgaon.

GD Goenka Group, partnering the UK's Lancaster University, launched GD Goenka World Institute in Sohna near Gurgaon in 2009, which offers a two-year postgraduate diploma in business management. And the GMR Group has announced its decision to collaborate with Schulich School of Business of York University, Toronto.

But it would be inaccurate to assume that Indian B-schools will be lightly regarded once the foreign biggies swagger in. A case in point is 24-year-old Gopal Balakrishnan, a first-year student at IIM-A. He had Berkeley, Harvard and Columbia in his consideration list while interning at Cisco after his engineering degree

HR/ FUNCTION HEADS' TOP 10

RANK	B-SCHOOL
1	IIM Bangalore
2	IIM Calcutta
3	IIM Ahmedabad
4	IIM Indore
5	IIM Lucknow
6	IIFT Delhi
7	SCMHRD Pune
8	DMS IIT Delhi
9	ISB Hyderabad
10	NMIMS Mumbai

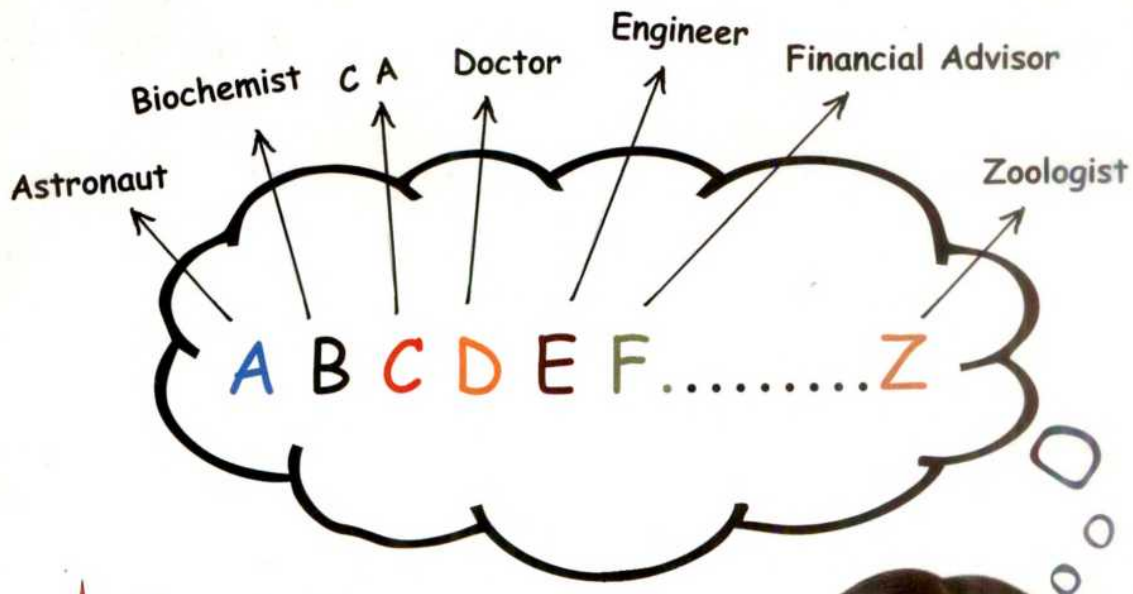
Respondents: 437
For the full names of the institutes, see page 66

B-SCHOOL FACULTY TOP 10

RANK	B-SCHOOL
1	IIM Ahmedabad
2	IIM Calcutta
3	IIM Bangalore
4	IIFT Delhi
5	IIM Kozhikode
6	IIM Indore
7	XLRI Jamshedpur
8	IIM Lucknow
9	FMS Delhi
10	ISB Hyderabad

Respondents: 287

THERE IS A BANK TO TAKE CARE OF YOUR FUTURE STUDIES



BOI Education Loans

- Attractive rate of interest
- No processing charges
- Easy repayment terms
- Simple interest during study and moratorium period
- 1% interest concession for Girl students
- Online application facility



SHIKSHA SURAKSHA INSURANCE

(Cover against Education Loan)

- Insurance premium available at specially reduced Group Rates
- Premium payment can be included in the educational loan.



Shiksha Suraksha plan through our Joint Venture Partner - Star Union Dai-ichi Life Insurance Company Ltd.



Bank of India



Relationship beyond banking

SMS "BOI <city>" to 57575 e.g. "BOI Mumbai". Call: 022 - 4091 9191

*Conditions apply.

MBA ASPIRANTS' TOP 10

RANK	B-SCHOOL
1	IIM Bangalore
2	IIM Calcutta
3	IIM Ahmedabad
4	IIM Lucknow
5	IIM Indore
6	IIM Kozhikode
7	ISB Hyderabad
8	IIFT Delhi
9	IIM Shillong
10	FMS Delhi

Respondents: 203

CURRENT MBA STUDENTS' TOP 10

RANK	B-SCHOOL
1	IIM Bangalore
2	IIM Ahmedabad
3	IIM Indore
4	IIM Calcutta
5	IIM Lucknow
6	IIM Kozhikode
7	IIM Shillong
8	XLRI Jamshedpur
9	ISB Hyderabad
10	SCMHRD Pune

Respondents: 308

YOUNG EXECUTIVES' TOP 10

RANK	B-SCHOOL
1	IIM Ahmedabad
2	IIM Calcutta
3	IIM Bangalore
4	IIM Indore
5	IIM Lucknow
6	IIM Kozhikode
7	IIM Shillong
8	ISB Hyderabad
9	SCMHRD Pune
10	FMS Delhi

Respondents: 497

For the full names of the institutes, see page 66

at Sardar Patel Institute of Technology, Mumbai. But on getting a call from IIM-A (where he had also applied along with ISB), his decision was clear. "The opportunity cost here is terrific. Besides, India is where the growth and opportunities are," he says.

The Foreign Education Bill also brings the matter of autonomy of Indian B-schools into sharp focus. "How is it that we struggle to prove our worth but do not have any say in designing the curriculum, whereas the foreign players can fix student fees, faculty compensation and design their own curriculum totally unhindered," asks H. Chaturvedi, Director, Birla Institute of Management Technology (BIMTECH) at Greater Noida.

Last year, the All India Council for Technical Education (AICTE) triggered acrimony by sending a notification to state-funded B-schools which sought to curb their power to design their course curriculum and duration, determine their fee structures, and even their selection of an examination model for students. While IMI's Singh feels AICTE's role is not only to grant approvals, he also questions its attempt to paint all institutes – including established ones such as IMI and XLRI – with the same brush.

The IIMs, of course, can now choose their own directors (see *Grappling for Control* on page 76), but according

to IIM-C's Chaudhuri, faculty fee is an issue. "If we had the freedom to match salaries of US universities, we could have drawn better talent," he says.

"But this may not be possible given the cost structure and environment in our country." In a double-whammy, what also hurts is the lack of good faculty. The Department of Management Studies (DMS), IIT Delhi, for instance, needs at least 23 people now, according to Sudhir K. Jain, Head of Department. "We follow stringent selection norms. The entire academic background has to be sound. That's why a large majority of those who apply to us fails to fulfil the criteria," he says.

Positive Shuffles

Even as the business education community grapples with autonomy and faculty issues, a positive change is beginning to happen at another level. Corporate consortiums are aiding institutes, not just with funding, but also with time to help develop curriculum and mentor students.

For instance, the School of Inspired Leadership (SOIL) in Gurgaon, was co-created in 2009 by a consortium of 32 companies. When Anil Sachdev, Founder and CEO of SOIL, started the venture, he approached his former consulting clients. Luckily, he did not need funding support, but he asked them to invest time in co-creating the

Aerospace, Defense & Marine

Appliances

Automotive

Circuit Protection Devices

Communication

Consumer Devices

Data Center

Elo Touch Systems

Energy

Enterprise Networks

Industrial & Commercial

Lighting

Medical

Mobile Devices

Personal Computers

Railways

Solar

Telecom Networks

Test and Measurement

IF IT NEEDS TO BE

SMARTER

WE'RE IN IT.

Using our "smarter connectivity" approach, we offer our customers strategic solutions that address their greater business challenges. We are constantly and consistently redefining the future by providing smarter solutions in virtually every industry.

TYCO ELECTRONICS IS NOW TE CONNECTIVITY.

TE Connectivity designs and manufactures more than half a million high-tech products that connect and protect the flow of data and power inside products that consumers and industries around the world use every day — enabling smarter, faster, better technologies to connect products to possibilities.

EVERY CONNECTION COUNTS

www.te.com/india

TE Connectivity, TE connectivity (logo) and EVERY CONNECTION COUNTS are trademarks.





SCMHRD, Pune Great Leap Up

It is the institute that has made the biggest jump in rankings – from 37th in 2010 to 12th this year. Symbiosis International University's 'other' management school, Symbiosis Centre for Management and Human Resource Development, or SCMHRD, which started off specialising in HR, but now offers other management streams as well, has even left the autonomous university's primary B-school, Symbiosis Institute of Business Management, behind.

How was it achieved? Most agree that the current Director K.S. Subramanian, who took over in 2005, has played a key role, primarily by building closer ties with industry. Business houses now advise the institute on its syllabi, while at least one business representative sits on its interview board when students are being admitted. SCMHRD has also redesigned some courses to meet industry expectations, and started new ones. In 2009, for instance, it added a specialisation in infrastructure management.

Subramanian has also stressed on research, freely providing sabbaticals to faculty members who want to pursue it. The institute has begun subscribing to four key databases over the past year, like that of the Centre for Monitoring Indian Economy, at an annual cost of ₹11 lakh. It has also tied up with Harvard Business School to make the school's research publications available to all. SCMHRD also provides its students with considerable exposure to software platforms such as SAP and Oracle.

But what has benefited SCMHRD the most is its hands-on approach to teaching. Says Subramanian: "We don't teach management to our students. It cannot be taught. It has to be learnt. We provide them the learning circumstances."

GEETANJALI SHUKLA

curriculum and also in mentoring students closely. "From day one, each student has a mentor from the industry who spends time with him or her on key issues," says Sachdev.

Great Lakes Institute of Management in Chennai, founded in 2004 by Kellogg professor Bala V. Balachandran, has five centres of excellence partnering TVS Capital Funds, which created the T.S. Srinivasan Chair Professor of Entrepreneurship for conducting research in entrepreneurship. Union Bank of India helped create the Union Bank-Great Lakes Center for Banking Excellence and a Faculty Chair as part of this.

Surely these are welcome moves for an industry feeling the pinch of not having enough employment-ready talent. "There has to be an investment from our side where we aid institutions in understanding our requirements," says Chandrasekhar Sripada, Head of Human Resource, IBM India/South Asia, which helps some

12

RANK 2011

RACHIT GOSWAMI



Reason to smile: SCMHRD, Pune, has made the biggest jump in the ranking, from #37 to #12

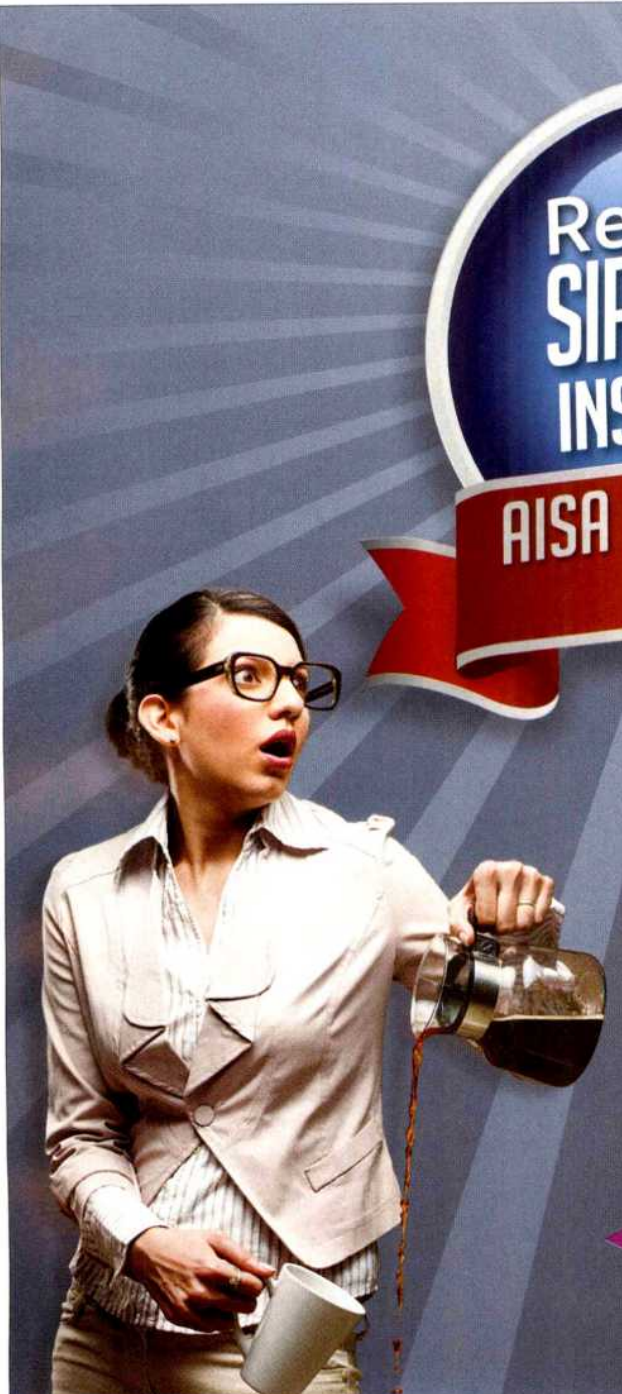
B-schools design their programmes.

B-schools are also just beginning to wake up to the power of their alumni network. "The initial response to fund and to partner the institute in mentoring students has been terrific," says IIM-A's Barua. The emotional connect certainly helps. "IIM Bangalore helped me with my discipline and perspective, and also in valuing work-life balance," says Sonjoy Chatterjee, a 1994 batch graduate and Chairman of Goldman Sachs India (Securities). This respect translates into hires from the institute.

As India's business education ecosystem evolves and matures to prime itself for a world where India and Indian companies will play an increasingly key role in the global economy, change will indeed be the only constant going ahead.

Heraclitus, you see, was a truly wise man. ♦

ADDITIONAL REPORTING BY SOMNATH DASGUPTA,
K.R. BALASUBRAMANYAM, MANU KAUSHIK,
DEARTON HECTOR and GEETANJALI SHUKLA



Reliance
SIP + FREE
INSURANCE!

AISA BHI KABHI
HOTA HAI OFFER

RELIANCE

Mutual Fund

Monthly savings ko
SIP mein badlo
aur **free**
life insurance pao!

Toll free: 1800 300 11111

SMS: **FREE** to 561617

www.reliancecapital.com

Charges upto Rs. 3 per SMS

Conditions apply

Reliance SIP Insure is a special facility available to the investors in selective schemes of Reliance Mutual Fund subject to such limits, operating guidelines, terms and conditions as may be prescribed by Reliance Capital Asset Management Limited (RCAM)/Reliance Mutual Fund from time to time. Free life insurance cover provided as a part of an add on feature called as 'Reliance SIP Insure' (available in select schemes of Reliance Mutual Fund) is arranged and funded by Reliance Capital Asset Management Limited through "Reliance Group Term Assurance scheme/plan" (UIN 121N006V01) of Reliance Life Insurance Company Limited (Reg. 121). The sum assured will be an amount equivalent to the aggregate balance of unpaid SIP installments, subject to a maximum of Rs.10 lakhs per investor across all schemes / plans and folios. For further details on SIP Insure facility including the load structure, terms of insurance etc. refer to the Notice Cum Addendum No 12 issued in the year 2011 and Scheme Information Documents of the respective schemes offering the said facility. **Statutory Details:** Reliance Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882. **Sponsor:** Reliance Capital Limited. **Trustee:** Reliance Capital Trustee Company Limited. **Investment Manager:** Reliance Capital Asset Management Limited (Registered Office of Trustee & Investment Manager: 'H' Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710. Maharashtra). The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.1 lakh towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. The name of the Schemes do not in any manner indicate either the quality of the Scheme; its future prospects or returns. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of the future performance of the Scheme. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. For details of scheme features and for Scheme specific risk factors, please refer to the Scheme Information Document which is available at all the DISC / Distributors / www.reliancecapital.com. **Please read the Scheme Information Document and Statement of Additional Information carefully before investing.**

How We Ranked Them

The 12th *BT*-Best Business Schools Survey, and the ninth partnering Nielsen, uses a slightly different methodology. Until 2010, the rankings were based on the institutes' Brand Equity Index, or BEI, scores, based on Nielsen's proprietary "Winning Brands" tool and derived from the results of a perception survey.

This year's rankings, too, are

Indore, Pune and Coimbatore (see the table below). Face-to-face interviews were conducted with five different stakeholders – MBA aspirants, current MBA students, young executives, recruiters and functional heads, and full-time B-school faculty.

For MBA aspirants, we covered students and working professionals who are planning to take the

City	MBA aspirants	Current MBA students	Young executives	HR recruiters & functional heads	B-school faculty	Total
Ahmedabad	10	15	30	22	25	102
Bangalore	10	20	30	25	20	105
Chandigarh	10	15	30	26	15	96
Chennai	15	20	60	50	0	145
Coimbatore	10	19	27	22	19	97
Delhi	29	39	39	80	39	226
Hyderabad	16	24	30	21	19	110
Indore	10	15	30	20	25	100
Kolkata	33	46	61	49	45	234
Lucknow	10	20	30	1	20	81
Mumbai	20	30	50	70	30	200
Patna	20	30	50	31	15	146
Pune	10	15	30	20	15	90
Total	203	308	497	437	287	1,732

based on scores obtained in a perception survey but did away with the BEI scores. The survey, which began in May this year, polled 1,732 stakeholders across 13 cities – Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bangalore, Lucknow, Chandigarh, Patna, Ahmedabad,

Common Admission Test, or CAT, and other MBA entrance tests in the next one to two years. The survey ensured a suitable mix of students with graduate and postgraduate degrees in professional and general courses. The current MBA group had a skew towards final-year



Symbiosis International University

(Established under Section 3 of the UGC Act 1956,
vide Notification No. F.9-12/2001-U.3 of the Government of India)

Accredited by NAAC with 'A' Grade

Pune | Nashik | Bengaluru | NOIDA

Drive the change in the Banking & Finance sector.



Admissions open for MBA – Banking Management

The growing trends in scale and complexity of the Banking and Financial Services industry have brought with it the demand for trained personnel who would be able to perform effectively in both existing and new domains. Symbiosis School of Banking Management (SSBM) offers a two-year, full-time MBA programme that provides relevant education and suitable skill sets to aspiring finance professionals so as to equip them to confidently take on the emerging challenges of this sector.

If a career in Banking & Finance excites you and you have what it takes to cope with the rigour of academics, research and experiential learning, then SSBM is the place you should be in.

Eligibility: Graduate with minimum 50% marks (45% for SC/ST) from a recognised university. Final year students awaiting results may also apply.

Symbiosis National Aptitude Test (SNAP) is mandatory for all candidates seeking admission to SSBM. Registration for admission for NRI, Foreign Nationals, PIO and OCI categories is open. It is mandatory for NRI students who have completed their graduation in India to appear for the SNAP test to be eligible to be considered for admission under this category. For more information on eligibility and admission procedure for international students, kindly visit www.scie.ac.in

Admission Procedure:

Step 1: Register for the SNAP entrance test at www.snaptest.org before 23rd Nov. 2011

Step 2: Apply to SSBM: Register online at www.ssbm.edu.in before 28th Dec. 2011

Dr. Bhama Venkataramani,
Director, SSBM

Symbiosis School of Banking Management (SSBM)

(A Constituent of Symbiosis International University, Pune)

Gram: Lavale, Tal: Mulshi, Pune 412 115. Tel: 020-36116209 Email: coordinator@ssbm.edu.in

No capitation/donation is charged for admission to any programme at any institute of Symbiosis

students – in reputed B-schools. In the young executives group, those with two to four years of work experience were interviewed. Human resource managers of organisations that have been recruiting from B-schools for the past three years were interviewed. Similarly, functional heads who have headed a function for the past three years and been involved in the recruitment process of their teams were considered. Finally, we introduced a new but critical stakeholder group this year, full-time B-school faculty.

The Process

Step 1: A shortlist of the top 60 B-schools was prepared using previous *BT* rankings as well as other sources to identify some of the new B-schools. As is our practice, B-schools which offer one-year professional MBA programmes were also included in the initial top 60 list.

Step 2: The stakeholders were asked to rate the B-schools on a 10-point scale on parameters such as overall reputation (all five stakeholders), willingness to join (MBA aspirants), willingness to recommend (young executives), willingness to recruit (human resource recruiters and functional heads) and competence of faculty (B-school faculty members). In order to remove bias, the stakeholders were not allowed to rate the B-school they were directly associated with (studying or teaching).

Step 3: A total score was obtained by combining the

FULL NAMES OF INSTITUTES

ABS: Amity Business School

BIMTECH: Birla Institute of Management Technology

BITS: Birla Institute of Technology & Science

CCIM: Christ College Institute of Management

DMS: Department of Management Studies

FMS: Faculty of Management Studies

FORE: Foundation for Organizational Research and Education

ICFAI: Institute of Chartered Financial Analysts of India

IIFT: Indian Institute of Foreign Trade

IIM: Indian Institute of Management

IIPM: Indian Institute of Planning and Management

IMI: International Management Institute

IMT: Institute of Management Technology

IRMA: Institute of Rural Management Anand

ISB: Indian School of Business

ITM: Institute for Technology and Management

JBIMS: Jamnalal Bajaj Institute of Management Studies

K.J. Somaiya: K.J. Somaiya Institute of Management Studies & Research

LBSIM: Lal Bahadur Shastri Institute of Management

LIBA: Loyola Institute of Business Administration

L.N. WELINGKAR: L.N. Welingkar Institute of Management Development & Research

MDI: Management Development Institute

MICA: Mudra Institute of Communications

NIM: National Institute of Management

NITIE: National Institute of Industrial Engineering

NMIMS: Narsee Monjee Institute of Management Studies

SCMHRD: Symbiosis Centre for Management and Human Resource Development

SIBM: Symbiosis Institute of Business Management

SJMMS: Shailesh J. Mehta School of Management

SPJIMR: SP Jain Institute of Management and Research

TA PAI: T.A. Pai Management Institute

TISS: Tata Institute of Social Sciences

VGSOM: Vinod Gupta School of Management

XIMB: Xavier Institute of Management, Bhubaneswar

XIME: Xavier Institute of Management and Entrepreneurship

XISS: Xavier Institute of Social Service

scores from the above parameters. The highest overall score was then assigned – a score of 100 – and the scores of other B-schools were indexed to 100. These indexed scores were then used to arrive at the final rankings.

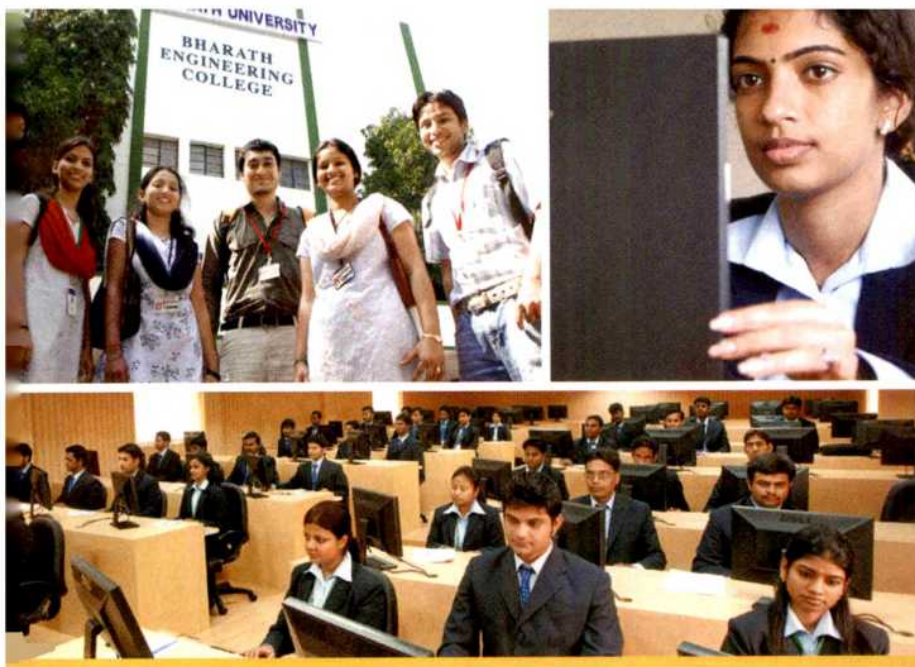
Deviations Explained

The rankings this year contain some drastic jumps and falls. Many of these are because of the change in methodology, and not because of any major fall or rise in the institutes' performance. Until last year, BEI scores were used to rank the B-schools. This score was calculated based on answers to specific questions, such as:

1. Which B-school is your favourite?
2. Which one will you recommend?
3. What price premium are you ready to pay for that B-school (on a six-point scale)?

The MBA score for the top four to five B-schools used to be much higher compared to the remaining schools. In addition, the difference between the BEI scores of the remaining B-schools was marginal – often, a few percentage points. For instance, the gap between the B-school ranked 10th and the one ranked 30th would be, say, 0.3. As a result, even a minuscule variation in the score would make a big difference to the ranking.

In the new methodology, the differences are not so fractional, the scores obtained are distinct, and there is a clear demarcation in the ranks. The Nielsen team which conducted the survey included Umesh Jha, Director, Client Services, and research executives Vinod Yadav and Rohini Tripathi. ♦



BHARATH BUSINESS SCHOOL

SHAPING YOUR FUTURE

Think ahead. Stay ahead.



(Declared u/s 3 of UGC Act, 1956)

Bharath
UNIVERSITY

பாரத் பல்கலைக்கழகம்



www.bharathuniv.ac.in

Hospital & Health Systems Management

Hotel Management

Marketing

Banking and Finance

Internal Business

Information Systems

Human Resources

5 Years Integrated Programme

For further details:

Bharath University, 173, Agharam Road
Selaiyur, Tambaram, Chennai-600 073
Tamilnadu. Tel : 91 44 2229 0247/0125.

Corporate Office: 1, First Main Road
Kasturibai Nagar, Adyar, Chennai 600 020
Mobile 9176726460 / 9176385649
www.bharathuniv.ac.in

MBA

Future Business Skills

Be part of a 27 year old history of
world-class education.





We enhance
your management skills.

We impart
hands-on training.

We give you
the right exposure.

So that you can write your own destiny.

At VITBS, we give you the confidence
to pursue the best opportunities.

VIT Business School

Fostering Innovation

VIT Business School stresses on combining the powers of knowledge and experience to help you secure a job, and to excel in it. While also ensuring that business education is as much fun as it is important.

It is a full-service management school that imparts hands-on training in specialisations that cover a wide range of industries. Here, you can experience the excitement of learning on the job with out-bound training programmes. You can enhance your management skills through fun-filled co-curricular activities and simulation modules. You can understand the pulse of markets by interacting with them on a regular basis. You can feel the buzz of the corporate world by working in companies through summer placements.

Most importantly, with VIT Business School's innovative and fun learning methods, you can gain the knowledge and experience that gives you the confidence to secure a bright future for yourself.



VIT[®]
UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)

Vellore - 632 014, Tamil Nadu, India

www.vit.ac.in



RANKINGS THROUGH THE YEARS

1998	1999	2002
1 IIM Ahmedabad	IIM Bangalore	IIM Bangalore
2 IIM Bangalore	IIM Ahmedabad	IIM Calcutta
3 IIM Calcutta	IIM Calcutta	IIM Lucknow
4 XLRI Jamshedpur	IIM Lucknow	NITIE Mumbai
5 IIM Lucknow	IRM Anand	IIM Kozhikode
6 FMS Delhi	XLRI Jamshedpur	MDI Gurgaon
7 JBIMS Mumbai	MDI Gurgaon	IIM Indore
8 MDI Gurgaon	IIM Indore	SJMSM-IIT Mumbai
9 SPJIMR Mumbai	SPJIMR Mumbai	SPJIMR Mumbai
10 NMIMS Mumbai	IIFT Delhi	IIFT Delhi

2003	2004	2005
1 IIM Ahmedabad	IIM Ahmedabad	IIM Ahmedabad
2 IIM Bangalore	IIM Bangalore	IIM Bangalore
3 IIM Calcutta	IIM Calcutta	FMS Delhi
4 XLRI Jamshedpur	XLRI Jamshedpur	IIM Calcutta
5 IIM Lucknow	Symbiosis Pune	XLRI Jamshedpur
6 Symbiosis Pune	FMS Delhi	IIM Lucknow
7 JBIMS Mumbai	IIM Lucknow	IIFT Delhi
8 FMS Delhi	JBIMS Mumbai	Symbiosis Pune
9 LIBA Chennai	IIM Indore	JBIMS Mumbai
10 NMIMS Mumbai	ICFAI Hyderabad	NMIMS Mumbai

2006	2007	2008
1 IIM Ahmedabad	IIM Ahmedabad	IIM Ahmedabad
2 IIM Bangalore	IIM Bangalore	IIM Bangalore
3 IIM Calcutta	IIM Calcutta	IIM Calcutta
4 Symbiosis Pune	Symbiosis Pune	Symbiosis Pune
5 IIM Lucknow	IIM Lucknow	IIM Lucknow
6 XLRI Jamshedpur	IIM Indore	XLRI Jamshedpur
7 JBIMS Mumbai	JBIMS Mumbai	JBIMS Mumbai
8 IIM Indore	XLRI Jamshedpur	IIM Indore
9 FMS Delhi	ICFAI Hyderabad	FMS Delhi
10 IIFT Delhi	NMIMS Mumbai	ICFAI Hyderabad

2009	2010
1 IIM Ahmedabad	IIM Ahmedabad
2 IIM Bangalore	IIM Bangalore
3 IIM Calcutta	IIM Calcutta
4 Symbiosis Pune	FMS Delhi
5 JBIMS Mumbai	IIM Lucknow
6 IIM Lucknow	XLRI Jamshedpur
7 XLRI Jamshedpur	ISB Hyderabad
8 ICFAI Hyderabad	IIM Indore
9 ABS Noida	LIBA Chennai
10 LIBA Chennai	ICFAI Hyderabad

SAPTARISHI BISWAS



Authorised
Distributor

Passes every test.

Come into any of our stores and see how Mac has all the answers, both in and out of class.



Uni checklist

- ✓ Runs Microsoft Office
- ✓ Compatible with your devices
- ✓ Great for photos, movies and music
- ✓ Plugs right into your campus network
- ✓ Fast, reliable and easy-to-use

Call 1800-425-4646 / 080-2574-4646 or SMS 'SALES' to 54646 and ask about our student discount on MacBook Pro starting from ₹8390*.

** Offer valid till 24th September, 2011. Conditions apply. Also check out the student discount on other Mac products.*

INGRAM
MICRO

neoteric

REDINGTON

1

RANK 2011

Light moment: Student members of IIM Bangalore's photo club, Dress Circle, in a photo session

PHOTOGRAPHS BY DEEPAK G. PAWAR/www.indiatodayimages.com



In the Spotlight

IIM Bangalore comes out tops in the 2011 edition of the *BT*-Nielsen best B-schools survey.

By K.R. BALASUBRAMANYAM



Video clip at
www.businesstoday.in/iimb

Divesh Sawhney and Jithu Krishnan, final-year students at the Indian Institute of Management, Bangalore, may soon have some tips for the Bharatiya Janata Party, or BJP. Their case study, *Revitalising the Brand BJP among the Young and the Educated*, seeks to understand why young and educated people – the ones the party targets for votes – are indifferent to voting. “We are gathering data now, and will analyse why they are disinterested in the political process,” says Krishnan. They chose the BJP because “it is the principal opposition

party, whose performance in Parliament has been below expectations”. Their project has generated some interest in the institute because of its novelty.

Sawhney’s and Krishnan’s project may be an outlier even by out-of-the-box standards, but greater emphasis on research is one of the factors that led up to IIM Bangalore’s return to the top slot in *BT*’s B-school survey after nine years. Other initiatives in the past couple of years include a new postgraduate executive education programme and a revamp of its doctoral programme.

“We are pushing the boundaries



ACCURATE

GROUP OF INSTITUTIONS

(Ranked A+++ Management Institute)
By Business Sphere



**AWARDED
BEST MANAGEMENT
INSTITUTE
IN
DELHI/NCR**



POONAM SHARMA, Group Director
Receiving the Award For Best Management Institute



**AWARDED
BEST PLACEMENT
AMONGST MANAGEMENT
INSTITUTES IN
NORTH INDIA**

**Placement Successfully Achieved With Multiple Job Offers Including
BANK OF MAHARASHTRA & ORIENTAL BANK OF COMMERCE**



and more...



&
For



International Certification Programme
ACCURATE MILESTONES

Courses Offered:

- PGDM
- MBA
- MCA
- B.TECH

2011 Ranked Amongst Top 25 Institutes of India By B&M	2010 Ranked amongst Top 20 B-Schools of India By Silicon India '10	2009 Ranked "A" Category Best B-School By AIMA SURVEY '09
2011 Pride India Global Award'2011 by Ministry of HRD, Govt. of Jharkhand	2010 Ranked "A" category B-School by All India Management Association & Business India '10	2009 Ranked "A" Category Top B-School in India By Business India Nov' 2009
2010 Ranked No.1 Top B-School of Excellence By CSR '10	2010 Ranked in India's Best B-Schools By Dalal street '10	2009 Ranked No.1 Promising B-School in India & Best B-School in Delhi/NCR By CSR Nov' 2009
2010 Ranked amongst Top 15 in Placements among the Private B-Schools of India By Outlook '10	2010 Awarded Best Industry Interface & Best Brand Leadership Award - Academics by Dewang Mehta B-School Awards' 2010-11	2009 Ranked in India's Best B-Schools By Dalal street
2010 Ranked amongst Top 15 in Infrastructure among the Private B-Schools of India By Business world '10	2010 Best Management Faculty by Dewang Mehta B-School Awards' 2010-11	2009 Ranked in Top 50 B-Schools in India By CSR Dec' 2009
2010 Ranked amongst Top 50 Private B-Schools of India By Outlook & Business world '10	2010 Awarded "Best Institute for Academic Excellence" in Delhi/NCR By Times Research '10	2008 Rashtriya Shiksha Shiromani Award for Best Management Institute & Best Campus
2010 Awarded Best Placement amongst Management Institutes in Delhi/NCR By Times Research '10	2010 Considered as one of the Best B-School in Delhi/NCR & Emerging Best B-School in India By CSR '10	2007 Best Infrastructure in NCR by B&M Chronicle, Jul' 2007

ACCURATE

www.accurate.in



Campus: 49, Knowledge Park-III, Greater Noida (U.P.) India

Contact: 09711306801-05, 09310102022, 09999209090

E-mail: admissions@accurate.in SMS "ACCURATE" To 56677

to answer questions about India through research," says Pankaj Chandra, Director, IIM Bangalore. In March this year, the institute signed a deal with Harvard Business Publishing, or HBP, agreeing to supply teaching cases developed by its faculty. The deal signals global recognition of the quality of research at IIM Bangalore. The institute is the only Indian one to make it to HBP's list, which includes elite B-schools such as Stanford, Kellogg and Darden. HBP has already distributed a dozen of its cases globally.

Conscious that only path-breaking research can help it match the highest global standards, IIM Bangalore is handing out cash incentives to raise the quality of its research. Faculty members get ₹5 lakh or ₹3 lakh each, depending on whether their papers are published in an A or B category journal. "There has been a big jump in the number of papers published, compared with five years ago," says U. Dinesh Kumar, Chairperson, Research and Publications. The institute has given away more than ₹1 crore in the past three years.

It also recently overhauled its PhD offering, called the Fellow Programme in Management, or FPM. "Our data shows that we are the first choice of people who want to do a PhD in India," says Trilochan Sastry, Dean (Academic), with a hint of pride. "Those we unfortunately can't admit join other IIMs."

IIM Bangalore enjoys some advantages over its peers. It is in a city that is well connected by road, rail

and air, is cosmopolitan, and has a pleasant climate. Besides, Bangalore has an information technology ecosystem that makes it easier to hire and retain teachers, as their spouses also have a good chance of finding well-paying jobs. These factors have raised the quality of the faculty.

Chandra says he wants to leverage strengths such as local science and technology institutes. "Technology-driven entrepreneurship is a very strong area for us. We want to see how we can help with innovation at the Indian Institute of Science or elsewhere, and then take it to the marketplace," he says.

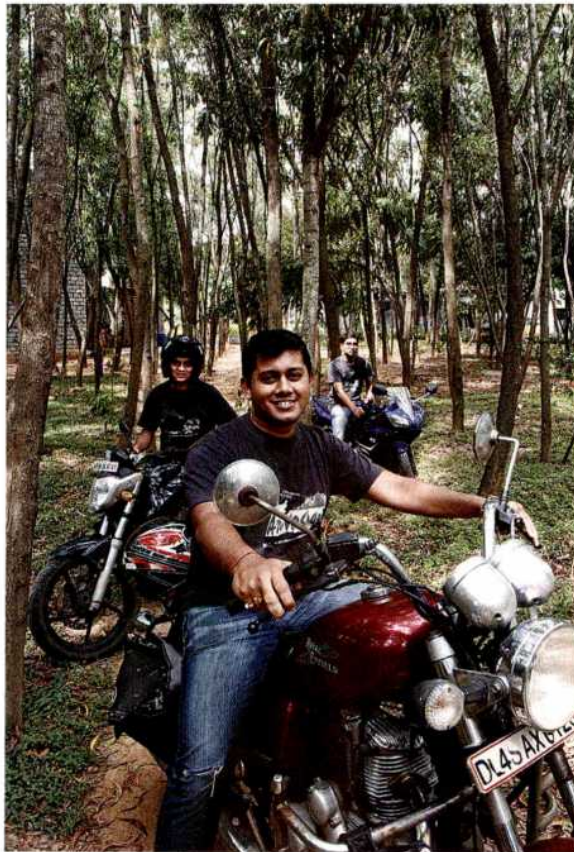
With regard to teaching, the institute does not want to be seen as a producer of managers only for corporate India. In fact, when it was set

up in 1973, the aim was to supply managers to public-sector enterprises. "We are probably the only institution with a core course called 'Business, Government and Society'," says Chandra.

Two years ago, to drive home that message, the institute laid down an incentive policy. "If any of our students work in a social enterprise, NGO or public office for at least three years, we will refund their fee," says Chandra. "If they want, let them go and work for libraries, museums, social organisations and the like, and follow their passion, regardless of the wages."

A few years ago, the institute suffered a setback when the government scuppered its ambition of setting up a campus in Singapore. The global ambitions remain, but the institute wants to pursue only those initiatives that advance its capabilities in research on and understanding of Asia. "We are exploring global partnerships not only in Singapore, but also in the Middle East," says Chandra. "We are also thinking of setting up a centre in Shanghai for case-writing and research."

IIM Bangalore has a corpus of about ₹100 crore, and has launched a campaign to raise funds from alumni and companies. "The next-generation education model driven by high-quality research will have to be funded through endowments," says Chandra. "Our estimate is that IIM Bangalore will require at least ₹700 crore to become one of the high-impact research institutes of the world." He adds that he hopes to raise this money over the next five years. If funds do follow reputation, IIM Bangalore may be unstoppable. ♦



Zen on wheels: Members of the bike enthusiasts' club, Anveshan, tool around on campus

Enjoy Position & Standing

Choose ICSI as your Career



The most coveted profession available today

ICSI Course: A course that transforms students into modern corporate professionals

The Company Secretary

- An expert in Corporate Laws, Securities Laws & Capital Market and Corporate Governance
- Chief advisor to the board of directors on best practices in Corporate Governance
- Responsible for all regulatory compliances of company
- Corporate planner and strategic manager



Eligibility

Foundation Programme : 10+2 Pass or its equivalent

Executive Programme : Graduation

- Students of any discipline in Arts, Commerce and Science (excluding Fine Arts) can pursue the Company Secretaries Course.
- The CS Course is by Correspondence / Distance Learning with provision for optional oral coaching classes
- 24X7 Study through E-Learning (<http://elearning.icsi.edu>)
- The Online CS Course includes: Web based Training (WBT), Video based Training (VBT), Live Virtual Class (LVC)

Admission to CS Course :

- Admission is open throughout the year.

Cut-off dates :

CS Foundation Programme : 31st March / 30th September

CS Executive Programme : 28th February / 31st May / 31st August / 30th November

- Examinations are held twice a year in June and December

Prospectus & Application Form:

- Available at Headquarters/Regional Councils/Chapters

Foundation Programme **Executive Programme**

• Cash payment Rs. 200/- • Cash payment Rs. 300/-

• By Speed Post Rs. 250/- • By Speed Post Rs. 350/-

(DD/PO drawn in favour of **The Institute of Company Secretaries of India** payable at New Delhi)

After qualifying the CS Foundation Programme, Students are required to clear the Executive and Professional Programme Examinations and undergo Practical and Modular Training to become qualified Company Secretaries.



THE INSTITUTE OF Company Secretaries of India

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

Headquarters: ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011-45341076, 45341077, 4534 1000, 4150 4444 fax 24626727 e-mail info@icsi.edu

For further details, please contact / write to: Director (Student Services)

The Institute of Company Secretaries of India (ICSI), C-37, Sector 62, NOIDA 201 301 (U.P.),

tel: 0120-4522 061 / 071 / 081, e-mail: ss_reg@icsi.edu; ss_enrol@icsi.edu

EASTERN INDIA REGIONAL COUNCIL : ICSI-EIRC Building, 3-A Ahirpurur I Lane, Kolkata 700 019
Phone: 22832973, 22816541, 22816542, 22901065, 2290 2178-79 Fax: 22816542, E-mail: eirc@icsi.edu

Chapters: Bhubaneswar: 2552282 Dhanbad: 2205076 North Eastern Chapter (Guwahati): 2600401
Hooghly: 32420164 Jamshedpur: 2234273 Patna: 2322405, 9234705754 Ranchi: 3254128

NORTHERN INDIA REGIONAL COUNCIL : ICSI-NIRC Building, Plot No. 4, Prasad Nagar Institutional Area, New Delhi 110 005 Phone: 25769352, 4934 3005 Fax: 25722662 Email: nirc@icsi.edu

Chapters: Agra: 2881618 Ajmer: 2425013 Allahabad: 9335117477 Alwar: 9414277623
Amritsar: 2566861 Bareilly: 2310708 Bhilwara: 329603, 238044 Chandigarh: 2661840
Dehradun: 6543193 Faridabad: 9136606604-05 Ghaziabad: 2796668, 4559681 Gurgaon: 2380021,
9718381912 Jaipur: 2707236, 2707736 Jalandhar: 2280315, 9872397506 Jammu: 2475148
Jodhpur: 5102551 Kanpur: 2296535, 2212767 Karnal-Panipat: 3290035 Kota: 2476176
Lucknow: 4109382, 9450465499 Ludhiana: 2545456 Meerut: 2642201 Modinagar: 243048
Noida: 9811231064 Shimla: 9418085670 Sonapat: 9416972240 Srinagar: 2483775, 9906631180
Udaipur: 2413977 Varanasi: 2507491, 2506077 Yamunanagar: 227541, 9355337541

SOUTHERN INDIA REGIONAL COUNCIL : ICSI-SIRC House, No.9 Wheat Crofts Road, Nungambakkam, Chennai 600 034 Phone: 28279896, 28222212 Fax: 28268685 E-mail: sirc@icsi.edu

Chapters: Bangalore: 22286574, 22287158 Calicut: 6570601 Coimbatore: 2452006
Hyderabad: 23399541, 23396494 Kochi: 2392950, 4050502 Madurai: 2340797 Mangalore: 2216482
Mysore: 2516065 Palakkad: 2544061 Puducherry: 2251151, 9362251151 Salem: 2441050,
Thiruvananthapuram: 2451915 Thrissur: 2327860, 9995639511 Tiruchirappalli: 2461662
Visakhapatnam: 2533516

WESTERN INDIA REGIONAL COUNCIL : 13 Jolly Maker Chambers, No.2, First Floor, Nariman Point, Mumbai 400021 Phones: 22844073, 22047569, 22047580, 22047604 Fax: 22850109
E-mail: wiro@icsi.edu

Chapters: Ahmedabad: 26589343, 32918705 Aurangabad: 9325228194 Bhopal: 2577139
Dombivli: 2445423 Goa: 2435033 Indore: 4248181, 2494552 Kolhapur: 2659498 Nagpur: 2453276
Nashik: 2509989, 2500150 Navi Mumbai: 9833284483 Pune: 24263228, 24260341 Raipur: 4089290
Rajkot: 2477516 Surat: 2463404, 3917164 Thane: 25444478, 25444479 Vadodra: 2331498

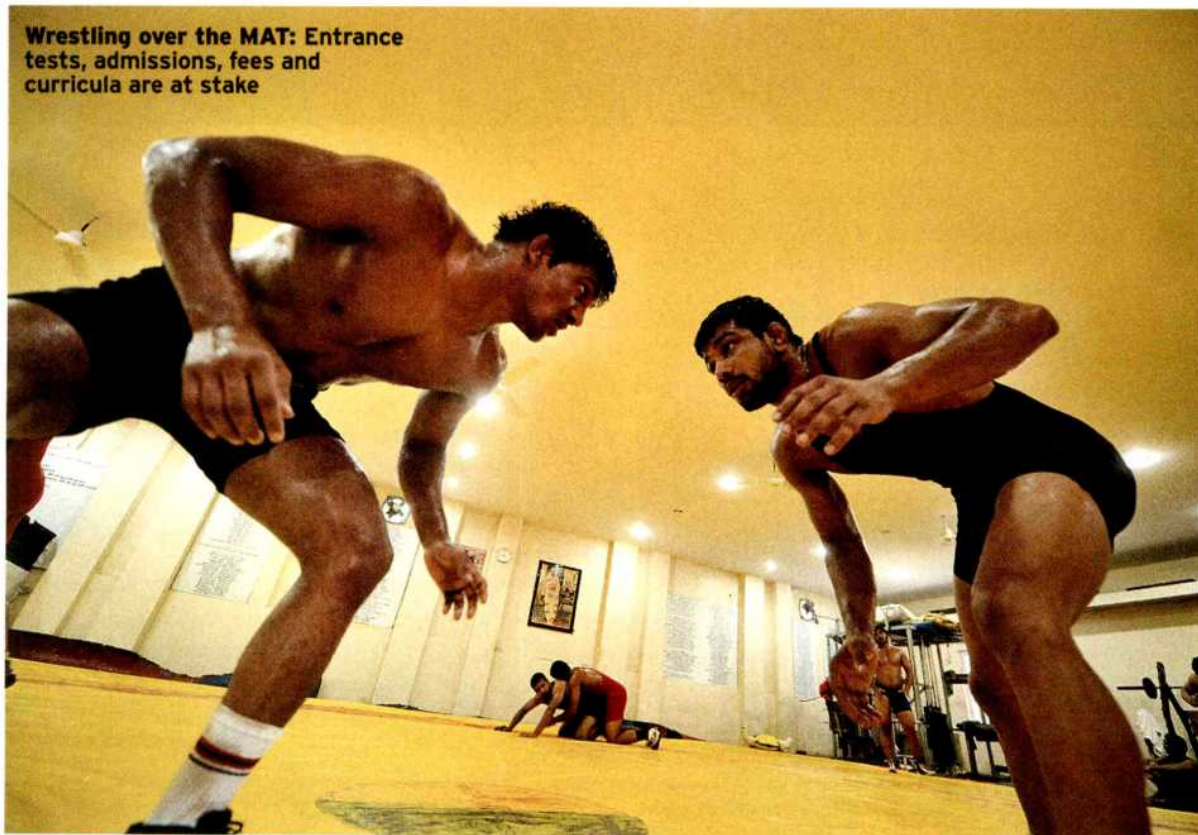
ICSI Helpline : 011-41504444

www.icsi.edu / www.icsi.in

Grappling For Control

B-schools have managed to fend off AICTE's moves to curb their freedom. But the scrap is not over yet. By SHAMNI PANDE

Wrestling over the MAT: Entrance tests, admissions, fees and curricula are at stake



VIVAN MEHRA/www.indiatodayimages.com

The battle is far from over. "But we have a reprieve," says H. Chaturvedi, Alternate President of the Education Promotion Society for India, or EPSI, and Director, Birla Institute of Management Technology, of the ongoing fracas with the All India Council for Technical Education, or AICTE.

EPSI is a non-profit, autonomous, registered society, which represents stakeholders in education before the government, among other things.

AICTE issued a fiat in December 2010, to bring 550-odd B-schools under its purview. The main areas of control included common entrance tests such as CAT/MAT for postgraduate management courses, which would replace other exams. AICTE would decide curricula, and the states would conduct admissions and control fees.

This has not gone down well with B-schools: "We have a documented history of 30 years of autonomous MBA programmes," says Chaturvedi.

"We made several attempts to meet the AICTE chairman, after which we decided to go to the Supreme Court as it was a matter of national concern." The Court granted an interim stay for 2011/12 admissions, and extended it to 2012/13 admissions, in the absence of a counter-affidavit from AICTE.

What triggered such a draconian notification just when the Indian Institutes of Management, or IIMs were moving towards autonomy? AICTE's directive is intended to ad-



TIMELESS LEADERSHIP

Discover Your Leadership DNA!

Practical wisdom for transformational leadership

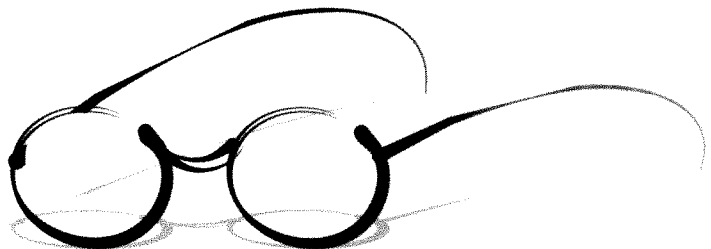


"Chatterjee presents and explains diverse threads of ancient wisdom teachings, relating these insights to the challenges of leading contemporary organizations. He does so with remarkable clarity, simplicity and persuasiveness."

- Dr. Peter M. Senge
Management Guru MIT,
Author of Fifth Discipline

"Timeless leadership provides a wide canvas for the young and emerging leaders to introspect, discover and chart out an effective leadership journey."

- Narayana N.R. Murthy
Infosys Technologies Limited



IIMK :Globalizing Indian Thought

www.iimk.ac.in

EXECUTIVE EDUCATION PROGRAMMES

The Leadership Clinic

Date: 12-15th October, 2011

Venue: Leela Palace, Bangalore

Program Director: Prof. Debashis Chatterjee

Timeless Leadership:

Discover your leadership DNA

Date: 30th November - 3rd December, 2011

Venue: IIM Kozhikode Campus

Program Director: Prof. Debashis Chatterjee

Becoming & Being Leaders:

A Program for young leaders in the making

Date: 23-25th January 2012

Venue: IIM Kozhikode Campus

Program Director: Prof. K. Unnikrishnan Nair

Indian Institute of Management Kozhikode



For all queries regarding open MDPs, registrations, status or change in registrations etc. queries regarding sponsored MDPs please contact
Indian Institute of Management Kozhikode, IIMK Campus P.O., Kozhikode 673 570, Kerala, India.
Phone: +91-495-2809208, Mobile: 9447100539. Fax: +91-495-2809370, 2803010 and 2803011, Email: mdp@iimk.ac.in

dress the issue of misuse of funds and high capitation fees charged by the institutes. "I am not questioning the role of AICTE, but surely one size cannot fit all," says Pritam Singh.

and Human Resource Development, Pune, is in favour of controlling fees. "That is the only way the average Indian will have access to education," he says. "Most B-schools make

of all these parties, I structure my courses," says Subramanian. "How does the AICTE have the competency to do all this?"

Freedom of IIMs

The IIMs, meanwhile, have managed to gain a fair degree of independence after nearly a decade's struggle. The Ministry of Human Resource Development has approved amendments to the institutions' memoranda of association with the government. So far, the government influenced the selection of the director through its search committee. But now, the IIM Board will shortlist candidates, and the government will pick one. More importantly, the institutes will no longer need government permission to buy and sell assets, and will be able to generate funds through sponsorship.

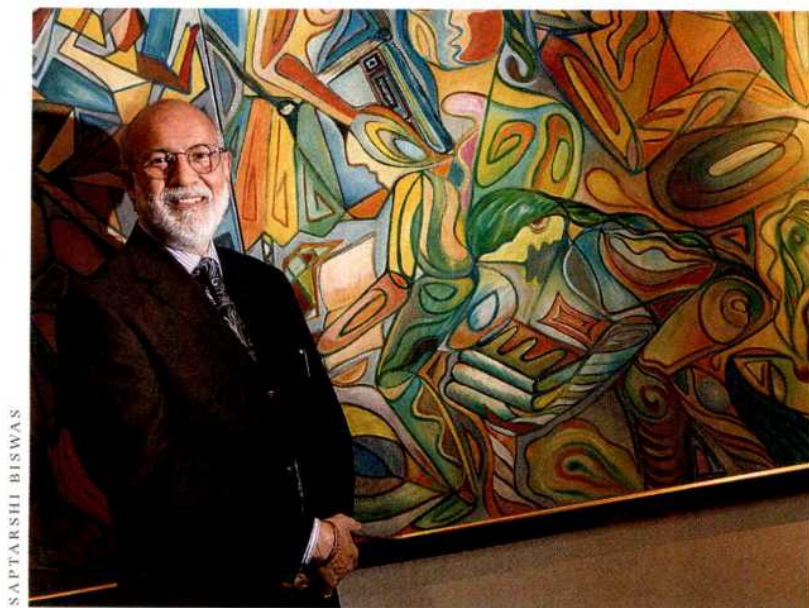
Most of them are not complaining. "I don't think autonomy is an issue for this institute," says Shekhar Chaudhuri, Director, IIM Calcutta. "The IIMs have enjoyed complete freedom as far as the curriculum and programmes are concerned," says IMI's Singh, who was formerly dean of IIM Bangalore and then the director at IIM Lucknow.

Pay scales are an issue, however. Chaudhuri says that if the institutes can recruit faculty members at market-based salaries, they would be in a better position to attract the best. "Given the cost structure, and the environment in our country, I am not very sure if this is possible," he adds.

But others question this freedom. "I wonder if they have made full use of the freedom that they have enjoyed in the first place," says a source closely associated with the issue of autonomy. "There is clearly a paucity of research from these places."

As the battle lines firm up, it is clear that for now, it is the AICTE-governed institutes that have a tough road ahead. ♦

ADDITIONAL REPORTING BY
SOMNATH DASGUPTA AND
GEETANJALI SHUKLA



SAPTARSHI BISWAS

"I am not questioning the role of AICTE, but surely one size cannot fit all"

— PRITAM SINGH, DIRECTOR GENERAL, IMI

Director General, International Management Institute, or IMI.

Even premier institutes such as XLRI have had to struggle because of the attempt to control fly-by-night operators. "You should see the amount of correspondence that we had with the AICTE for one extra student, trying to convince them that this is last year's student... it took nearly a year," says an exasperated Father E. Abraham, Director, XLRI.

He also says the institute was fined ₹50 lakh for increasing the batch size to 120 students: "A team came and visited, and said, 'We will recommend it strongly.' We kept waiting... but the letter never came. We went ahead with admissions, for which we were penalised," he says.

K.S. Subramanian, Director, Symbiosis Centre for Management

enough money to sustain themselves and do not need to charge higher fees. Within the current fee structure, B-schools can easily make at least a 20 per cent profit."

But not everyone agrees. Vivek Sane, Director, Symbiosis Institute of Business Management, says government bodies need to understand the ground realities of running a B-school. "If an institute runs without government grants and works entirely on a business matrix, and then restrictions are put on it, there are chances that regulations will be disregarded," he adds.

Many B-school administrators say AICTE's intervention in designing syllabi is unnecessary. "When I design my syllabus, I go to my alumni, I go to the corporate world, I talk to students, and based on the responses



Excellence with Values

BIMTECH
BIRLA INSTITUTE
OF MANAGEMENT TECHNOLOGY

PGDM

PROGRAMMES at Greater Noida Campus

(Approved by AICTE, Ministry of HRD, Govt. of India)

- ▶ Two-Year Full-time PGDM Programme*
- ▶ Two-Year Full-time PGDM (International Business) Programme
- ▶ Two-Year Full-time PGDM (Insurance Business Management) Programme
- ▶ Two-Year Full-time PGDM (Retail Management) Programme
- ▶ Two-Year Full-time PGDM (Sustainable Development) Programme #

PROGRAMMES at Bhubaneswar Campus**

- ▶ Two-Year Full-time PGDM Programme
- ▶ Two-Year Full-time Post Graduate Diploma in Journalism & Mass Communication
- ▶ Two-Year Full-time Master in Designing

ELIGIBILITY : A recognized Bachelor's Degree in any discipline with minimum 50% marks in aggregate. Candidates appearing in the final exam of Bachelor's degree are also eligible to apply.

SELECTION : Selection to the programmes is based on CAT 2011 performance, Write-up, Group discussion and Personal Interview.

APPLICATION : Application can be made by any of the following modes:

1. Applying online on website of the Institute followed by payment of Rs. 1850/- through Credit card.
2. Online application form can also be filled using scratch card, which can be purchased from BIMTECH Admission office or Channel partner centers or Axis Bank branches (list given on www.bimtech.ac.in) on payment of Rs. 1800/-.

Application Forms available from : September 30, 2011

Last date for submission of Application : December 31, 2011

For greater details, please visit
www.bimtech.ac.in

All correspondence including the requisition of application forms should have "PGP Admissions 2012 - 2014" superscribed on the envelope and must be sent to : Coordinator - Admissions
Birla Institute of Management Technology
Plot No. 5, Knowledge Park -II, Greater Noida -201306
Tel: (0120) 2323001 to 10, Fax: (0120) 2323012 / 22 / 25
Email: admission.queries@bimtech.ac.in

Declaration: BIMTECH uses CAT 2011 scores for shortlisting candidates for all Programmes. IIMs have no role in either the selection process or in the conduct of the programmes.

*Accredited
by NBA
for 5 years

Equivalence
with MBA
by AIU

Alliance with
B-schools of
USA, Europe & Asia

100% Placement
Assistance in Indian &
Multinational Companies

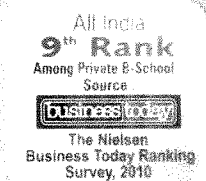
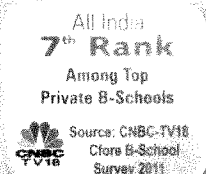
Founded by
B.K. Birla Group

Smt B.K. Birla and
Dr. (Smt.) Sarada Birla
Scholarship for
meritorious students

Landscaped Green
Residential
Wi-Fi Campus

Associate of
MDPS
Columbia University, USA

Industry
Partnership from
India & Abroad





R.C. BHARGAVA/ CHAIRMAN, MARUTI SUZUKI

No One to Take Ownership



The problem with IIMs is that there is no 'owner', except the government. For various valid reasons, the government is not equipped to discharge the functions of the owner as in companies and businesses

The Indian Institutes of Management have been established jointly by the Central and state governments. Of the 13 IIMs, seven have either been very recently started or are in the process of being established. While the funding for capital expenditure has always come from New Delhi, the states have provided the land for the institutes. In the initial years of an IIM, the deficit in revenue expenditure is met by the Central government. The money for IIMs is provided through the Budget and thus the administrative ministry, human resource development, or HRD, is answerable to Parliament for proper utilisation of the funds.

This has resulted in the HRD ministry controlling key financial and administrative powers relating to IIMs, though the latter have full academic freedom. IIMs are governed by a society whose members are appointed by the government. The chairman and directors are selected by the HRD ministry. The board members are also appointed by the government. Pay scales, as well as faculty and administrative staff strength, are determined by the government. The government has the power to give directives to the IIMs and also carry out an external review of its functioning.

Over the years, many IIMs have felt that their functioning is impaired by the lack of financial and administrative autonomy. This feeling grew stronger in the older IIMs, which had started generating a surplus on the revenue account. This led to some informal relaxation of controls.

An IIM review committee, established in 2007, found that the existing system needed considerable modifications, partly due to the growth in the number of IIMs and also because of the much larger number of higher educational institutions which had to be supervised by the ministry. It also found that the management of IIMs was fragmented between the government, the board and the director, and was

not leading to excellence. It was recommended that the boards should be professionalised and given full powers to manage the institutes. This had to be accompanied by a system that made the boards accountable and also enabled the government to fulfil its obligations to Parliament.

This report was followed by another dealing with more detailed ways of achieving these objectives. While proposing powers for the board and the director was easy, devising a system of accountability was not. The HRD minister expressed his willingness to make IIMs fully autonomous provided there was a satisfactory system of accountability.

In companies and businesses, accountability of management is achieved through shareholders, particularly the larger ones. In promoter-controlled entities, the promoter, as the 'owner', is very much concerned with the progress and results of the company. In companies where ownership is not concentrated in a family, financial institutions, insurance companies and so on function as 'owners' and ensure accountability of the management. The problem with IIMs is that there is no 'owner', except the government. For various valid reasons, the government is not equipped to discharge the functions of the owner as in companies and businesses. Hence, the committee has recommended that the IIM society, which is the equivalent of the shareholders for an IIM, should be so constituted that it can have a genuine and long-term interest, as well as ability, to function as the 'owner'. This would require some society members remaining as such for long periods of time, and having a stake that could be either financial (but not for profit) or of reputation in the IIM. While this matter is under debate, in many areas the IIMs have already become more autonomous.

The author headed an HRD ministry-appointed committee in 2007/08 to review the status of the IIMs



SiBM PUNE
SINCE 1978

**SYMBIOSIS INSTITUTE OF
BUSINESS MANAGEMENT PUNE**

....where knowledge is the driving force

**LEADING
EXCELLENCE
IN EDUCATION
FOR 33 YEARS**

SNAP

**SYMBIOSIS NATIONAL
APTITUDE TEST**

**Test date: Sunday, 18th Dec. 2011,
From 10 am to 12 pm**

World Class Infrastructure

Experienced Faculty

Excellent placement track record

Strong Alumni network

**Specializations granted within 45
days**

**Active & dynamic Students'
Council that handles Admissions,
Placements, Corporate & Alumni
interface, Research projects, etc.**

**Dr. Vivek Sane
Director, SiBM Pune**



SYMBIOSIS INTERNATIONAL UNIVERSITY

(Estd. under Section 3 of the UGC Act 1956 vide Notification No. F9 12/2001 U.3 of the Govt. of India)

Accredited by NAAC with 'A' Grade



A Case Fit For Study

Some state university B-schools, such as FMS, Delhi, are among the country's best, but others face constraints such as bureaucracy and poor funding. By E. KUMAR SHARMA

Roshee Lamichhane is disappointed. "When I came here from Nepal through a scholarship programme of the Indian government, I had a lot of expectations," says the 24-year-old student of business management at Osmania University, which houses one of the leading B-schools in Hyderabad. "But while we have some bright teachers here, I haven't found what I expected." Foremost among the reasons for her disappointment is the curriculum.

True, the syllabus is reviewed and revised every year or two, but Lamichhane says it is not updated sufficiently. Nor is it dynamic enough to keep pace with the market. Besides, she says, the pedagogy of many state university B-schools is inadequate. "It is focused largely on preparing students for exams, but an MBA course should be more practical, and should discuss real-life situations," she says. "We don't really analyse case studies." She adds that her friends at the country's premier B-schools have to work harder than students at her school.

Lamichhane is not alone in her concerns about state university B-schools. Aileni Vidyadhar Reddy, former dean of the Department of Business Management at Osmania University, while emphasising that his institution is still a coveted B-school brand, concedes that many university B-schools need to address curriculum issues. "Unfortunately,

in many such schools, teachers are not trained in case analysis," he says. Partly, he says, it is because they do not update their knowledge, and hardly contribute to research.

From the perspective of recruiters, the problem arises because Indian B-schools do little to engage with industry. The human resources head of a leading Indian automobile company, who asked not to be identified, says not just state B-schools, but even private ones in India are behind the times, barring a handful of top-tier institutes.

He points out that most Indian faculty do not travel abroad to observe the changing international business context, which makes their perspective immediate rather than global. For example, cross-border deals are more comprehensively researched and taught overseas than in state or private schools here. "The range of experience is very different, and this percolates to the curricula and student output," he says.

However, some Indian B-schools cater to local market needs that may not have an international context. For instance, the bulk of Osmania's graduates join Indian banks, such as Andhra Bank, ICICI Bank and IDBI, and IT companies ranging from local outfits to giants such as TCS or multinationals.



Students at Faculty of
Management Studies, Delhi

What Ails State B-schools

Curricula reviews and changes are largely cosmetic or pure nomenclature change

Case studies are not commonly used in class

Often, the faculty also has to take on administrative tasks such as recruiting teachers for affiliated colleges, leaving little time for research

There is little incentive for the faculty to undertake breakthrough research or publish papers

The focus is more on doing well in exams rather than learning from real-life experience

In some cases, guides take precedence over textbooks when preparing for exams

There is little engagement with visiting or quest faculty

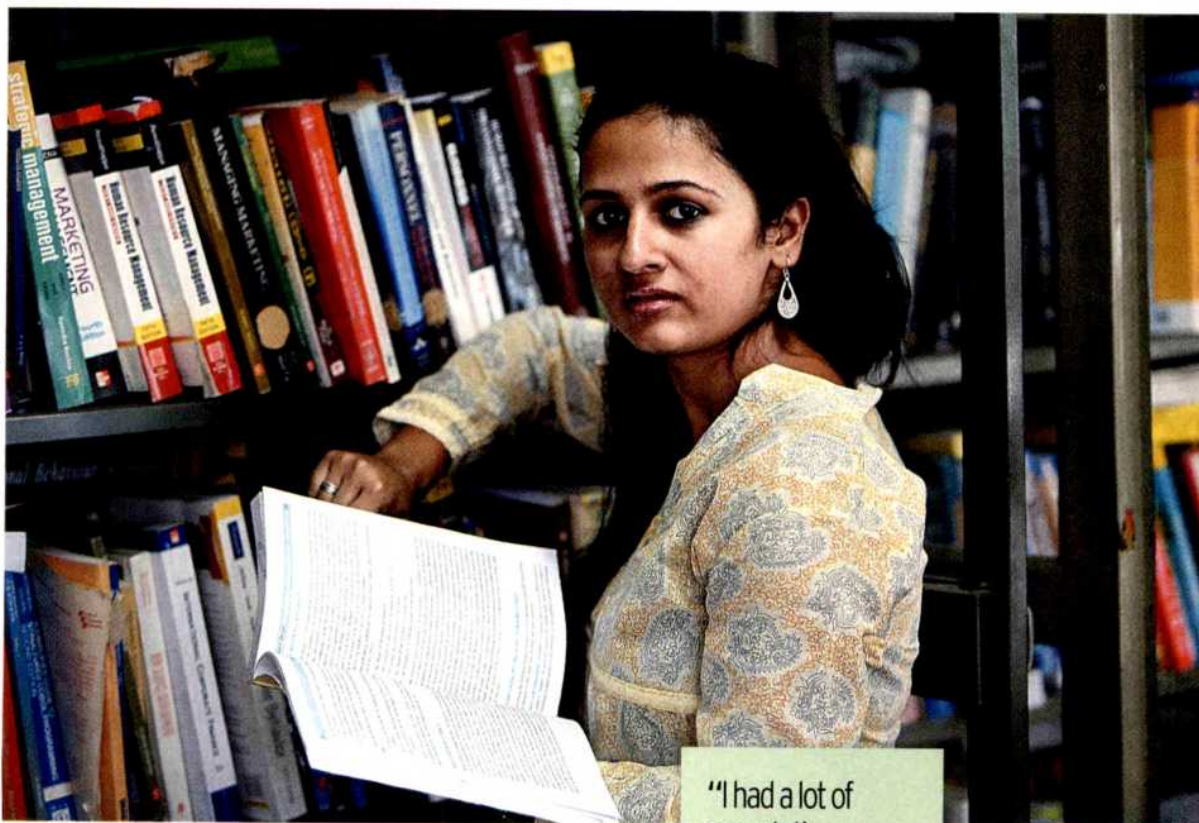
Many schools have an India focus, and little interest in the international scene



Video clip at
www.businesstoday.in/fms



A. PRABHAKAR RAO/www.indiatodayimages.com



"I had a lot of expectations. But while we have some bright teachers, I have not found what I expected"

ROSHEE LAMICHHANE,
Osmania University

"Business schools in India have a different focus. A few aspire to be globally relevant, while others concentrate on turning out graduates who get entry-level roles with a strong domestic focus," says Hetal Dalal, Head, Education Grading, at credit rating agency CRISIL. She says business schools are beginning to recognise the benefits of interaction with industry. "Foreign collaborations are currently limited to exchange programmes of short duration for both students and faculty, and inputs in curriculum design," she says. "While these do bring in a flavour of international markets, they are not sufficient to make a material difference."

Not all state universities are laggards. Take, for example, the Faculty of Management Studies, or FMS, at Delhi University, set up in 1954. "We have tied up with half a dozen leading international B-schools, such as Harvard, Stanford and Kellogg," says

FMS Dean Raj S. Dhankar. But he says many state universities need to pull up their socks. "I have interacted with senior faculty and experts from state universities, and found they had constraints related to funding, lack of faculty positions and lack of industry interface," he says.

Dhankar adds that goodwill and reputation are not built overnight. He points out that FMS is 50 years old and has emphasised industry interface from the beginning.

India has some 3,000 B-schools, says V. Raghunathan, former professor of finance at IIM Ahmedabad. Some estimates put this number at over 4,000. Raghunathan says 60 to 70 per cent of schools are affiliated to state universities, and most have a functional orientation – a focus on, say, production management, mar-

keting, statistics or economics – rather than on industry-oriented courses that focus on sectors such as infrastructure, health care or education.

How are topics made current? In international B-schools,

if social media were discussed last year in a course on marketing or consumer behaviour in terms of how they connect customers, they are now discussed as a platform for loyalty programmes and brand-building. Another example: last year, some students at the Indian School of Business, Hyderabad, used Chetan Bhagat's novel *Two States*, which discusses intercaste marriages, to make a film for a class on negotiation analysis. Contrast this with most state B-school curricula, in which business communication is not even a subject. ♦

**The only
competition
that can look us
in the eye is ourselves.**

- Highest Machine Life: 9,00,000 Prints ■ Highest Drum life: 3,00,000 Prints
 - Lowest Total Cost of Ownership ■ BLI Printer Line of the Year Award
- No wonder, we don't consider the rest as competition!**

Presenting

The unbeatable Range of Printers from Kyocera

PRINTERS



Mono A4: 24 ppm to 35 ppm



Colour A4: 21 ppm to 26 ppm

MFD



Mono A4: 24 ppm to 40 ppm



Colour A4: 26 ppm



Knockout Benefits

- Separate Drum & Toner • Maximum Prints per day • USB Printing • Password Printing • Maximum Up-time • Digital Counter



For enquiries contact:
Ph: +91 124 4671000; Toll Free: 1800 103 7172
E-mail: dilip.kanth@kyoceramita.co.in www.kyoceramita.co.in



Over 60 years of experience | Presence in 30 countries | Japan's leading name in technology

ELECTRONICS AND COMMUNICATION
ENGINEERING PROGRAM OF
SRM UNIVERSITY
IS FIRST IN INDIA TO
GET ACCREDITED BY
THE ENGINEERING ACCREDITATION COMMISSION OF
ABET

111 MARKET PLACE SUITE 1050 BALTIMORE MD 21202-4012 USA

Moment of Pride

It is indeed a moment of pride for SRM University and its faculty, students, parents and alumni, to become the first University to get an ABET (Accreditation Board for Engineering and Technology) accreditation for B. Tech, Electronics & Communication Engineering.

ABET is the most respected accreditation organization in the U.S for over 75 years
ABET accredits programs at more than 600 colleges and universities worldwide.

SRM University, in recognition of its excellence in higher education and research, was ranked India's No.1 Multiple Streams University (Engineering and Medicine) in 2009 by The Education Times – GfK Mode Study, joining the league of IITs, NITs and AIMS.

And now, SRM has joined the league of world's best universities by securing the prestigious ABET accreditation in 2010.

For more details please visit www.abet.org and www.srmuniv.ac.in

Accredited

ABET

**Engineering
Accreditation
Commission**



SRM
UNIVERSITY
(Under section 3 of UGC Act 1956)

SETTING TRENDS | INVENTING THE FUTURE

Kattankulathur, Kancheepuram Dt., Chennai



Are Top Business Schools Losing

“Reclaim the B-school from the P-Mart”

Yes



K. Ramkumar,
Executive Director,
ICICI Bank

I have been associated with B-schools for over 20 years. All these years, I have been searching for answers to the following questions:

- Why were B-schools set up?
- Who do they serve?
- How do we judge their fulfilment of purpose and efficacy?

Let me assume that the over-arching purpose of B-schools is to produce entrepreneurs and business managers. My experience over the past two decades suggests this objective is achieved only to a minimal extent. Let us look at the evidence that led me to this conclusion.

How do B-schools sell themselves? Do they talk about the value proposition of their unique curriculum, quality of faculty and their accomplishments; the pedagogy, rigour and discipline in skill building; the quality of internship and the guidance received; or their high standards of assessing proficiency? Or do they say: we are the best placement agency, hence come to us? The emphasis is entirely on the latter.

The sad part is that the faculty at most B-schools keeps bragging about the high price at which it was able to sell its products. I suppose the economics professor teaches in the same school that price has very little relation to absolute quality. In a demand-outstripped market, inflation rules and even mediocrity fetches a fortune. All the more so when old boys'

clubs of most top B-schools lobby to propagate their gene pool and create dominance for the alma mater in the corporate world – a Darwinian necessity. Have we ever asked what happens in the last semester at B-schools? The sole objective seems to be the setting up of the place-

ment mart, or P-mart, exploiting the demand-supply gap, pushing up the price through day slotting, and ensuring that even the last mediocre product finds a placement, so that the “sold-out” tag can be put up. The placement procedure browbeats recruiters by not permitting a genuine selection process that good governance dictates, and reversing the process of buy and sell where the seller demands that purchase be made without any meaningful quality testing. Why will anyone learn in a B-school when “placement” is guaranteed by the demand-supply gap?

In this warped power balance, where do the B-school directors and faculty stand? The truth is that they have been disempowered by the compelling need to flaunt a “sold out” board, and promote the “we got the best price” ad-line. How can the franchise of any institution be ceded entirely to the students, whose interest in it is only for two years, and when they care very little about the impact of their immature actions on the long-term prospects of the institute?

This P-mart focus has led to young recruits at companies coming with an exaggerated self-image and spending the next five years in search of their real worth, moving from one organisation to another. The recruiters' flattery to endear themselves to the young students sets them up for future shock, when their power after recruitment is nullified. Sadly, these youngsters spend their best five years in self-doubt and anxiety.

Will the arbiters take note and stand up to reclaim the B-school from the P-mart? The glimmer of hope is that some directors have already taken charge. Will the recruiters be responsible and support these directors?

(The views expressed are personal)

Sight of What Hirers Want?

In recent years, India has seen an unprecedented expansion of higher educational institutions. A significant amount of public money is invested in these institutions. This investment in the creation of these institutions has often triggered debate on the contribution and relevance of these institutions.

In this column, we confine ourselves to the top rated, public-funded management institutions only. The standard view of these institutions is that they admit young bright students through a challenging, competitive entrance examination, train them and place them in lucrative jobs. The restricted supply in the context of huge demand has contributed to the brand equity of these institutions. They attract extraordinarily bright students. Rapid and consistent industry growth provides them job opportunities. Therefore, it is relatively easy to find placements for this small number of students – about 2,000 – every year. The contribution of the faculty in these institutions is at best marginal. This view is supported by questioning the publication track record of the faculty of these institutions in peer-reviewed international journals. Often, it is observed in the media that no great research of social relevance is carried out in these institutions.

But let us look at the whole subject in context. Just as our democracy is maturing, so are our educational institutions. The two oldest IIMs have 50 years behind them, the next-oldest is 40. The fourth one is 25 years old and the fifth and sixth are 12 years old. The remaining seven institutions are less than two years old. Surely they need time to mature.

These institutions are faculty driven in terms of administration and governance. Much of their academic and financial status is a consequence of faculty involvement, and the faculty's academic accomplishments. These institutions stand for a value system that is represented by a clean, transparent and fair admission process. This needs to be contrasted with the fact that in our social life, nearly everything is available for a price.

Several of these institutions have earned a reputation and contributed to industry in a significant way. The industry-academia collaboration is not confined to student placement activity only. Consulting as a profession in India has seen remarkable progress, beginning 1990. Several faculty members are also members of the board of various organisations. They train mid-career executives for industry. Executive MBA programmes launched by all these institutions are a clear example of the way they are contributing.

Often institutions need at least ten years to stabilise at the infrastructure level as well as at the programme level. We have accomplished the first stage of creating top class management institutions. But we need to give some time to these institutions to mature. We cannot and should not sprint during a marathon.

(The views expressed are personal)

“Institutions need time to mature”

No



N. Ravichandran,
Director, IIM Indore

PHOTOGRAPHS BY A. PRABHAKAR RAO/www.indiatodayimages.com



Businesslike: A mock court at NALSAR University of Law, Hyderabad

These Lawyers Mean Business



As regulatory issues become crucial, a combination of law and MBA degrees could be the next big thing.

By E. KUMAR SHARMA

Meeet Kaushik Rajan, corporate lawyer. But not for long. A year from now, the 27-year-old, who graduated from ILS Law College, Pune, will be a lawyer-MBA. To realise his dream of becoming an investment banker with a focus on mergers and acquisitions, he has enrolled in a one-year management course at the Indian School of Business, or ISB, Hyderabad. "I want to graduate from being a business facilitator to being a business decision-maker," he says. "To do that, a management course was the logical step." The combination of law and management qualifications is full of potential, he says (see *New Options Open Up*).

According to Rajan, more and more law students will take management courses, especially at top schools such as ISB, not only because this will improve their professional prospects, but also because they will benefit from exposure to a diverse classroom experience.

A law or MBA degree helps professionals build expertise in either field, for example, marketing in management, or litigation in law. But in a rapidly globalising economy, a combination could take one's career much further. And, given the demand for a combination of law and MBA qualifications, it is reasonable to expect that it would pay better than just a law or management degree.

"The legal function is now a strategic one," says Aditya Ghosh, President of the low-cost carrier IndiGo. "Today, those who run businesses need to have a deeper understanding of the regulatory environment, because many fields—telecom, insurance, and sunrise sectors such as aviation—are highly regulated," he says. He is a lawyer by training, but does not have a management

degree. If there was a course in his time that offered both, he says, he would have taken it.

"There's certainly a need for people with a knowledge of both management and law, across sectors such

New Options Open Up

With an MBA and law combination, a host of career options opens up. A student can:

 **Return to work with a law firm, but with an expanded role compared to other lawyers**

 **Move to management, in a field such as investment banking, or in a business development role**

 **Opt to become a consultant, instead of playing a traditional legal or management role**

 **Be an in-house legal counsel for a global company or an Indian one with a global presence**

 **Take up a role in a company that draws upon legal and management skills to develop and direct strategy**

as marketing, sales, supply chain, and those involved in the development of intellectual property," says T. Sreedhar, managing director, TMI Networks, a leading talent sourcing

firm based in Hyderabad. However, he adds, there is a scarcity of talent with this kind of knowledge at present.

Zia Mody, managing partner, AZB & Partners, says she is happy to hire talent with a good mix of law and management qualifications. "This is a good combination, because lawyers today need at least some basic knowledge of the issues facing corporates, such as a good grasp of the law relating to securities, insider trading or the takeover code," she says.

In response to the demand, Hyderabad-based NALSAR University of Law, one of the leading law schools in the country, will start a new course on October 15: the Masters Degree in Business Laws and Administration. According to K.V.S. Sarma, Professor of Law and Head, Centre for Corporate Governance at the university, as national economies are increasingly integrated into the world market within the framework of international trade rules, business has taken centre stage. As a result, corporate laws are moving towards universalisation, he says. "So all employees in the corporate world need some knowledge of the principles of management and business law, to do business within and outside the country," he says.

Sarma says the new course, a two-year programme that costs ₹6 lakh, has been designed to bridge a crucial gap, and create synergies by bringing management and law together. "In any MBA course, management skills are taught," he says. "But without a thorough grasp of company, labour, industrial and commer-



"I want to graduate from being a business facilitator to being a business decision-maker."

KAUSHIK RAJAN, a corporate lawyer studying at the Indian School of Business, Hyderabad, who plans to become an investment banker

cial law, graduates feel handicapped even when they are part of the management of a corporate body."

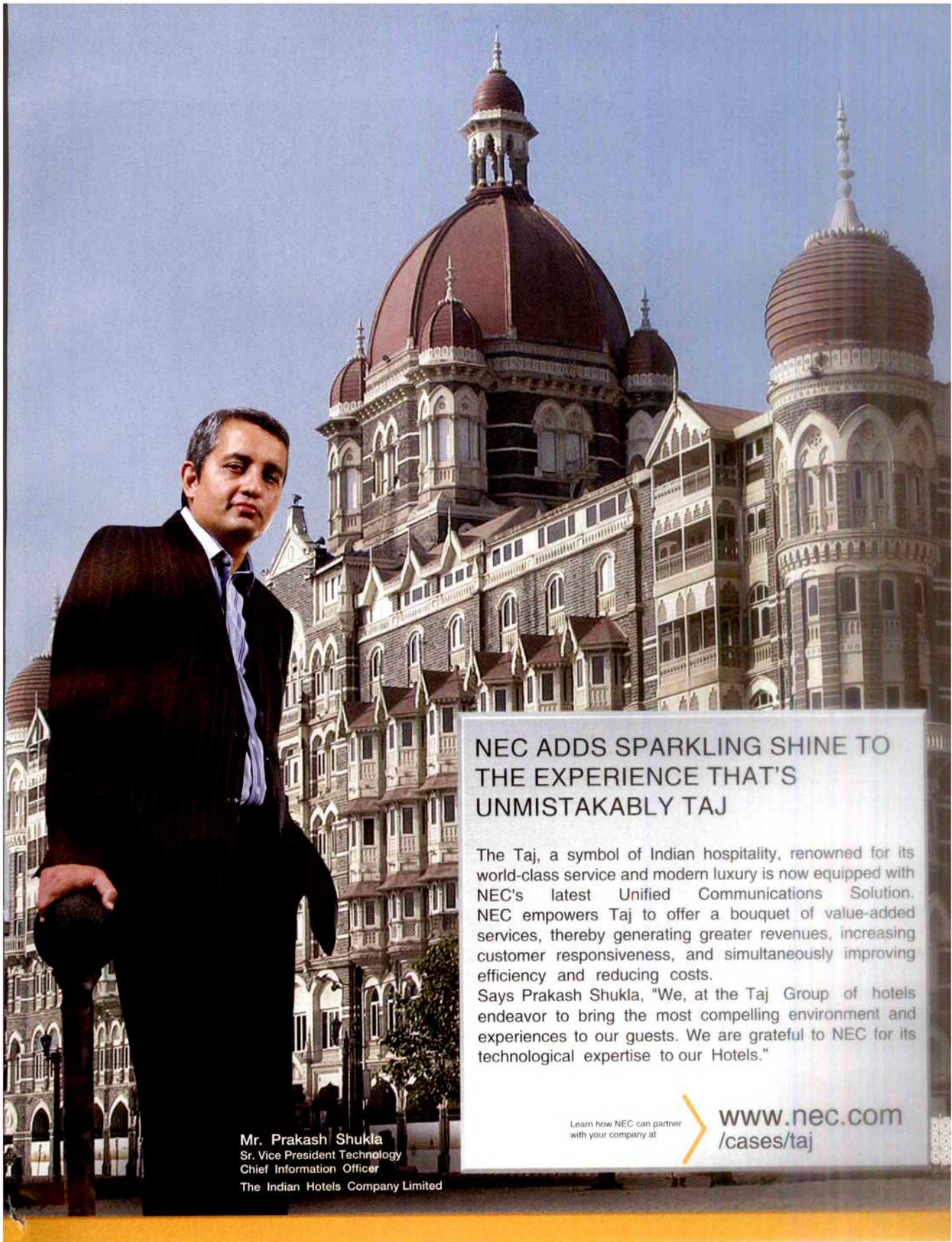
The eligibility for the course is graduation in any discipline. The first batch of 30 students will be chosen on the basis of their academic qualifications and an interview. The

course will cover a range of subjects spanning law and management, such as intellectual property law and management, corporate governance and business ethics, financial and management accounting, contract law, marketing management and brand building.

NALSAR is not the first law school to wake up to the potential of a combination of law and business qualifications. The National Law University, Jodhpur, offers an MBA (insurance), and says it is the first in the country to offer an honours degree in business law. It sees this as a core strength, citing its alumni who are now associated with international law firms such as Clifford Chance and Allen & Overy; Indian ones such as Amarchand & Mangaldas & Suresh A. Shroff & Company, and AZB & Partners; and corporate giants such as the Tata and Reliance groups, and Larsen & Toubro.

Costs stack up in favour of NALSAR's business laws programme for now. A pure law course at NALSAR would be five years, and would cost around ₹9 lakh. A pure management course, such as the two-year postgraduate programme at the Indian Institute of Management, Ahmedabad, would cost ₹6.3 lakh a year. A one-year course at ISB costs around ₹20 lakh.

Citing his own experience, ISB student Rajan says: "When investment bankers and lawyers negotiate, one speaks Greek and the other Latin, because one is focused on the numbers, while the other cares only about risks and words." There is clearly a gap right now, he says, and it will be filled by those who understand both numbers and word of the law. ♦



NEC ADDS SPARKLING SHINE TO THE EXPERIENCE THAT'S UNMISTAKABLY TAJ

The Taj, a symbol of Indian hospitality, renowned for its world-class service and modern luxury is now equipped with NEC's latest Unified Communications Solution. NEC empowers Taj to offer a bouquet of value-added services, thereby generating greater revenues, increasing customer responsiveness, and simultaneously improving efficiency and reducing costs.

Says Prakash Shukla, "We, at the Taj Group of hotels endeavor to bring the most compelling environment and experiences to our guests. We are grateful to NEC for its technological expertise to our Hotels."

Mr. Prakash Shukla
Sr. Vice President Technology
Chief Information Officer
The Indian Hotels Company Limited

Learn how NEC can partner
with your company at

[www.nec.com
/cases/taj](http://www.nec.com/cases/taj)

Empowered by Innovation

NEC



Gung-ho GURUS

Teachers who advise Indian industry are increasingly in demand. By SUMAN LAYAK



C.K. Prahalad, Chairman of the PhD committee at the Indian Institute of Management, Ahmedabad, once offered some advice that puzzled young scholar Ranjan Das. "Work for a small company for five years before you come back to academics," Prahalad told him in 1977. Das, though mystified at first, did just that, and more. He worked for 20 years in small companies, including a five-year stint as Managing Director of Maharashtra Weldaids. He went back to academics at age 44.

Das, now 63, is a professor of Strategic Management at IIM Calcutta and a leading consultant. He says the early years as a professional manager have helped him enormously in his later role, giving him numerous functional insights into his area of expertise.

"It is important to define the scope. Otherwise, a consulting project can eat into the time that should be devoted to academics"

Y.L.R. MOORTHY, IIM Bangalore





There are various roads to consultancy for management teachers. Das followed his own when he joined IIM Calcutta in 1997 as a full-time faculty member. He designed new courses in strategic management. "I also wrote two books in the first three years as a teacher and more later," he says. "I started creating short, management development programmes for industry." With all this, his consulting career took off.

Y.L.R. Moorthi, Professor of Marketing at IIM Bangalore, took a different path. "I was asked by a company making two-wheeler tubes if it should venture into manufacturing tyres as well," he says. "I gave some suggestions, and was asked to make a presentation to the board." He did: the impact of an IIM professor making a case for diversification was much more than that of the company executives saying the same. Moorthi's reputation spread and his consulting career started.

Moorthi's colleague D. Krishna

Sundar, Associate Professor, Production and Operations Management, says he never solicits work from companies. Yet, this expert on supply chain management and e-commerce even has firms overseas lined up for his advice. Sundar advises the South African Post Office, or SAPO, the country's postal service, and its banking division, Post Bank, on how to take banking to the masses. Sundar's research work on financial inclusion attracted SAPO. "Most banks in South Africa are geared to serve only the rich in the cities, a legacy of its years of apartheid," says Sundar. "Banking is

"Hindi newspapers provide more information, more local news than English ones. Their circulation is increasing faster"

SHARAD SARIN,
XLRI Jamshedpur

prohibitively costly. Even to issue a cheque for 100 rand (₹650), there is a 15 rand charge."

When professors take up consulting, the institutes they teach at also gain. "The institute keeps 40 per cent of the profits professors make from consulting," says Sougata Ray, Professor and

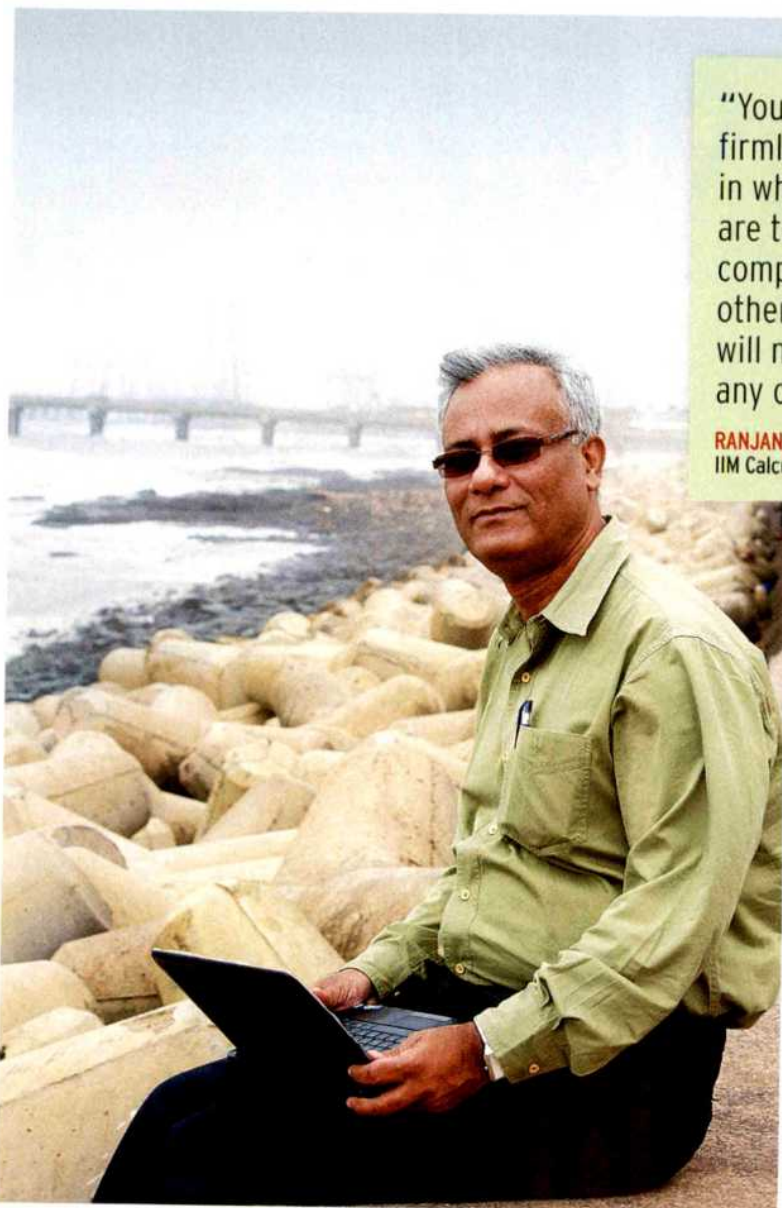
Dean (Programme Initiatives), Strategic Management at IIM Calcutta. "We encourage our professors to become consultants. They are allowed to use 52 days a year for their consulting activities." Rama Bijapurkar, management consultant and author, who also teaches at IIM Ahmedabad, says many among the whole-time faculty are getting into consulting, and a number of them have built reputations.

Around 20 to 22 professors in



Full transcript of the interview at
www.businesstoday.in/sarin

UMESH GOSWAMI/www.indiatodayimages.com



"You must firmly believe in what you are telling the companies, otherwise you will not have any credibility"

RANJAN DAS,
IIM Calcutta

strategic management at the top three IIMs and Indian School of Business, Hyderabad, are much sought after consultants, says IIM Calcutta's Das. But others with different specialisations are greatly in demand, too. Professor Sharad Sarin, who teaches marketing at XLRI Jamshedpur, has been a veteran consultant since the 1970s. His list of clients reads like a who's who of the Indian industry.

Sarin developed the concept of marketing fairs and advised companies on how to use them to conduct research. Sarin shared with *BT* some findings from a research he is doing for a media company: "It is our assessment that Hindi newspapers, which cost as little as ₹2 in Jharkhand and may be ₹3 to ₹4 in Bihar, provide more information, more local news than what we get from English newspapers. Their cir-

ulation is increasing faster than that of English newspapers."

Are there any pitfalls professors who get into consultancy should watch out for? "The scope of a consulting project often keeps increasing," says IIM Bangalore's Moorthi. "It is very important to define the scope in the very beginning. Otherwise, a consulting project can go on and on and

eat into the time that should be devoted to academics." Conviction is also important. "You must firmly believe in what you are telling the companies, otherwise you will not have any credibility," says Das. "You should go out of your way to help clients, because usually they approach you when in a crisis. You must be accessible to them all the time."

Consulting experience helps academics become better researchers and teachers, too. "Research needs rigour and teaching needs relevance," says J. Ramachandran, Professor of Corporate Strategy and Policy at IIM Bangalore and a popular consultant. "Industry experience and consulting experience helps you bridge this gap between rigour and relevance."

But academics should always take priority, says Padmini Srinivasan, Ramachandran's colleague and an Assistant Professor of Finance who advises companies on cost management, valuations, and implementing International Financial Reporting Standards. Indeed there are many management professors who stick to teaching and research alone, eschewing consultancies. "Consulting is like an amoeba, it can move in many ways," says Moorthi. ♦

ADDITIONAL REPORTING BY
SOMNATH DASGUPTA

Sugar
Fe'

THE WALTERS
CHOCOLATE SHOP

essilor
World No.1 in spectacle lenses

NEAR

MID

FAR

Reading glasses ✗

Bifocals ✗

Varilux - The best solution ✓

SEE BEYOND THE ORDINARY.

Varilux – for sharper vision at all distances.

Life begins at 40, with Varilux – the world's fastest selling progressive lenses. These 3-in-1 lenses enable clear vision at all distances – **near, mid and far**. Moreover, they don't have a dividing line like ordinary bifocals. Which means you see better and look good. Live the life you want, only with Varilux.

Varilux lenses are now insured.*

Visit your optician for more details. And ask for your Varilux Authenticity Card.

VARILUX 
only from **essilor**

World No.1 in spectacle lenses



Follow us on: facebook.com/EssilorEyeLounge

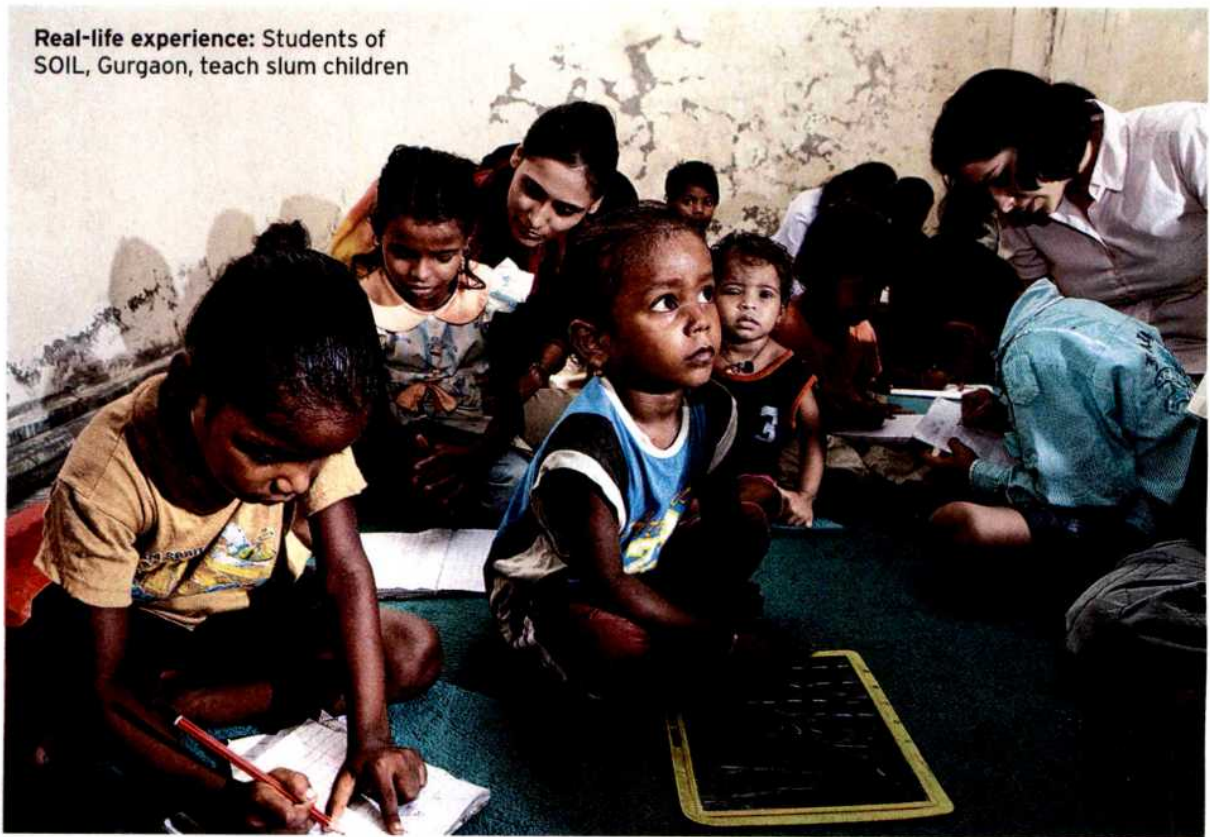
Call toll-free 1800 425 8383 or visit www.varilux.co.in

*Subject to terms and conditions.

©RichardBibi2011



Real-life experience: Students of SOIL, Gurgaon, teach slum children



SAPTARSHI BISWAS/www.indiatodayimages.com

Skilling Them Softly

Management is not only about theory, but also about power struggles, negotiation, a multicultural environment and, yes, dealing with stress.

How are B-schools coping with the demand for new skills? By SHAMNI PANDE

Every morning, students and faculty gather in a circle to offer interfaith prayers, share insights, and appreciate each other. This may not be the traditional way for a business school to start the day, but the School of Inspired Learning, or SOIL, is no chip off the old block. "The idea is to keep track of what is happening within and without us," says Anil Sachdev, Founder and CEO

of SOIL, which started in 2009.

Co-created by a consortium of 32 large companies, SOIL also partners 25 non-government organisations for its Social Innovation Program. The initiative aims to foster social responsibility in management education. Every week, students go to slums near the school and teach the children there. "Unless you actually deal with poverty and social issues first-hand, there is no way to build

insight and empathy at a theoretical level," says Sachdev.

SOIL weaves these activities together with routine MBA courses such as financial accountancy, and non-traditional subjects such as theatre, appreciative inquiry, sustainability and green capital.

Is this holism just hype by new programmes to attract students? The fact that even older B-schools have started to incorporate liberal arts



People often see
craftsmanship...

We will teach you its latent management skills

MBA / PGDM / MMM / MPM

Join 2 Yrs Full Time AICTE Approved PGDM (Eqv. MBA) in...

PGDM-ACM
Advanced Construction Management
Eligibility : All Engineers / Architects

About Vishwakarma Institutes

- VGBS is a part of Pune's most sought after institute - VIT Pune, VIIT, VIM
- Partnership with leading Industries & Associations
- Industry Ready Curriculum • SAP training to each candidate

Following courses also available

PGDM-IT-SAP (Eligibility : Any Graduate)

PGDM-FINANCE-IFRS (Eligibility : Any Graduate)

Admission Procedure : Apply online or download application form,
from www.vgbs.edu.in & mail it to admissions@vgbs.edu.in

PGDM-REUIM
Real Estate & Urban Infrastructure Management
Eligibility : All Engineers / Architects

- Approved by AICTE • Academic Collaboration with SAP (Germany)
- GTG for IFRS • Mentor Faculty • 350+ Companies on Campus
- SAP Training for all Students • Free English Language Certification
from Cambridge, UK • Global Placement



BRAC's

**Vishwakarma Global
Business School**

(AICTE Approved Institute)



For more information, Contact :
Prof. Soni - 09822876194 Ulka - 09011021172

S. No. 3/6, Kondhwa Budruk, Pune 411048. Ph.: 020-26934999, 64783754
E-mail : admissions@vgbs.edu.in Website - www.vgbs.edu.in

Assured platform for Architects & Engineers to cement a strong career

subjects into their curriculum suggests it is not. As the global economy experiences uncertainty, disruptive technological change and a highly competitive environment, businesses are increasingly realising that they need new skill sets.

Courses that have traditionally had a functional orientation are loosening up to deal with the demands of the times. In 2009/10, IIM Lucknow introduced an elective course for second-year students, called 'Leadership through Literature', in which Himanshu Rai, Associate Professor and Chairman of the Human Resources Management Area, teaches classics such as William Shakespeare's *Othello* and Irawati Karve's *Yuganta*. "We draw parallels between the characters and our world," he says.

Delhi's Indian Institute of Foreign Trade, or IIFT, offers a course called 'Psychology for Managers', besides the usual ones on business communication and organisational behaviour. The institute also set up a psychometric lab this year, where students can benefit from a counselling-based approach to hone their personality and emotional traits. Tests are followed up with a series of interactions between students and faculty members. "We try to help students improve their behaviour and response patterns," says M. Venkatesan, Associate Professor, IIFT. It was SOIL that pioneered such personality assessment of students in Indian B-schools, using a tool called Caliper, which identifies traits and helps students choose courses based on their aptitude.

IIFT also uses tools that can assess whether students have innate entre-

preneurial abilities. "If they don't, we teach them leadership skills and the art of taking risks," says Venkatesan. IIFT also offers a module on understanding perception and intelligence.

Pramath Sinha, Founder-Director of the Young India Fellowship, or YIF, says functional skills are important, but so is getting young people to think and become aware. "One cannot make someone a leader in a year, but we certainly start the process," he adds.

While YIF, a one-year programme of the International Foundation for Research and Education, Delhi, may

improve communication and negotiation skills. "Indian theatre has the concept of the nine *rasas* or emotions," says Ashok Kapoor, Professor, Business Communication, MDI. "A CEO, too, has to manage emotions and people. This medium enables people to overcome inhibitions and role-play real situations."

MDI students write their own skits, and build in a resolution and a message. "Thus they experience teamwork and conflict resolution, and work on soft skills by exploring interpersonal relationships as part of the play," says Kapoor. SOIL, too,

teaches through theatre. "We like to take up real situations, but we don't always reveal the name and the company to our students," says Sachdev, who has counselled leaders during consulting stints and as adjunct faculty at the Indian School of Business, Hyderabad, and four American universities. He gave *BT* the example of a play whose hero was based on Rajeiv Dubey, President, Group Human Resources and Aftermarket Sector, Mahindra & Mah-

indra, because of the difficult decision he took during the 2009 slow-down not to downsize his permanent staff. Masking the real names of people and companies lets students interpret the situation freely.

Besides learning skills, such activities are also aimed at de-stressing and achieving work-life balance. For example, some modules of Symbiosis Institute of Business Management's two-year course are taught off-campus, to help students reduce stress. Now, that is a refreshing idea. ♦

ADDITIONAL REPORTING BY
DEARTON THOMAS HECTOR, MANU
KAUSHIK AND GEETANJALI SHUKLA



Work and play: MDI students use theatre to study real-life cases

be an alternative to a B-school education, its curriculum includes Business Overview, Listening, Critical Thinking and Writing, Economics and Leadership. "I come from a middle-class background, and I thought this course was a good investment of my time for the kind of exposure it gives me," says N.S. Mrudula, a mechanical engineering graduate of the Indian Institute of Technology, Madras, who has joined the course. "An MBA soon after my engineering degree was not an option for me."

Since 2006, Management Development Institute, or MDI, Gurgaon, has been using theatre to

PGDM

Two-Year Full Time
&
Three-Year Part Time

www.FIIB.edu.in



Approved
by AICTE

Accredited
by NBA

Industry-Linked MBA | Futuristic Curriculum
Outstanding Faculty | Superb Location
Hi-Tech Campus | World-Class Global Inputs

About The Program

FIIB has carved a niche for itself in the corporate and academic circles for its innovative approach towards MBA education. Therefore, it is ranked high amongst the management institutions in India. Approved by the AICTE, accreditation by the NBA and equivalence of PGDM to MBA by AICTE are recognition of the high quality education imparted at FIIB. Furthermore, awards by major business school academies for industry interactions, innovation and curriculum stand testimony to the excellence achieved.

FIIB Scholarship

FIIB rewards outstanding students with generous scholarships that can be applied towards partial tuition waiver or for its prestigious study abroad programs.

BEST

Ranking & Awards

6th in Top B-Schools
of India (GHRDC)

Top Institute of India (CSR)

A+ Institute
(Business India)

Best Management Institute
for International Business
Studies in India (Brands Academy)

Global Linkages

Strategic collaboration with The Sam Walton College (USA), University of Tampere (Finland), ICPE (Slovenia) for student exchange, joint research and teaching opportunities.

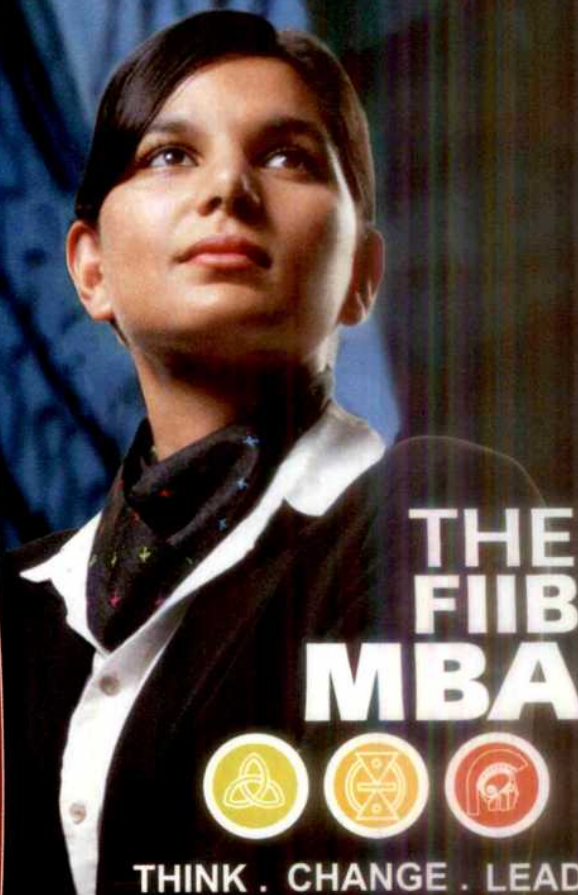
Study Abroad Trip and Laptop Included

FORTUNE INSTITUTE OF INTERNATIONAL BUSINESS

CAMPUS

Plot 5, Rao Tula Ram Marg, Vasant Vihar, New Delhi-57,
Tel: +91-11-47285048, Fax: +91-11-45823299

admissions@fiib.edu.in



FIIB has been instrumental in the success of my professional life. It has imparted world class education and exposure to enable me to become what I am today. It was a wonderful two-year journey and I cherish my association with my institute.

Swati Grover (Batch of 2006)
Business Developer, IKEA Trading



facebook.com/fiibindia | twitter.com/fiibindia
youtube.com/fiibindia | blog.fiib.edu.in

SELECT RECRUITERS

GENPACT

Pfizer

Union Bank of India

RELIGARE

Cadbury

YES BANK

Bausch & Lomb

Electrolux

Capital IQ

TATA CONSULTANCY SERVICES

Colgate

Deloitte

ORACLE

KPMG

ICICI Bank

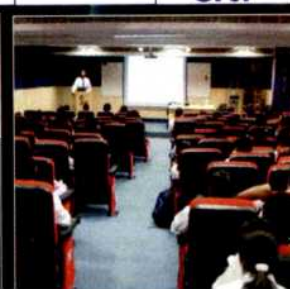
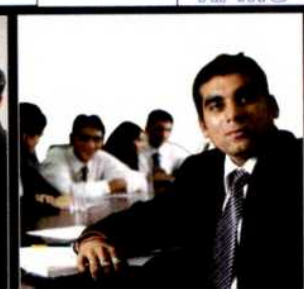
citi

DCM

naukri.com

OUTLOOK

HDFC BANK





Tomorrow's Star

A dark horse emerges in Dhanbad.
By SOMNATH DASGUPTA

Students at Department of Management Studies, Dhanbad

The Indian School of Mines, or ISM, at Dhanbad in Jharkhand did not create its Department of Management Studies, or DMS, to help its engineering graduates turn into managers earning fat

pay packets. Such is the demand for the ISM's mining engineers that they earn well enough without the MBA tag. And no, its MBAs are not taught to manage only mines, despite the connection with the 85-year-old ISM, which is today a deemed university.

Desk research done by *BT* and Nielsen came up with a preliminary list of 60 B-schools, which had 10 new names on it. And one of them was DMS.

It did not make it to the final 50, but its very entry was an achievement in itself. DMS began

under a different name – the Department of Industrial Engineering and Management, when it was created in 1977 to offer an MTech degree in industrial engineering and management. The department still offers the MTech programme, which is exclusively for engineering graduates, but decided to offer an MBA course in 1997. This was initially linked to the Management Aptitude Test, or MAT, but is today under the CAT.

The link to ISM, based in Dhanbad – headquarters of Bharat Coking Coal and the heart of India's coal belt of Jharia – did create identity problems for the first few batches of MBAs from DMS.

Kampan Mukherjee, Founder-Dean of DMS, recalls how, for the first few years, he had to accompany batches of MBAs to the big cities to convince companies that the students were not just mine managers but fit for all managerial jobs. The institute was too closely identified with ISM – set up by the British in 1926 and the country's premier institute for mining and earth sciences engineering.

"We went to different corporate houses in Kolkata and Mumbai and faced similar questions," says Mukherjee. "They would ask us: 'What type of management? Is it mining training? Is it only about mining, geology, petroleum'," recalls Mukherjee.

He adds that while DMS offers the usual specialisations in the second year – operations management, finance, marketing, human resource management and so on – it is most sought after for operations management, supply chain management and logistics.

But if most of ISM's engineers prosper even without an MBA degree, why did the ISM launch a separate Department of Management Studies? A. Chattopadhyay, Acting Director of ISM, says the idea stemmed from the growing demand for MBAs with additional skills. The association with

Black Diamond

Total Fees: ₹122,000 for a two-year MBA degree, including hostel fee

Student intake: 62

Faculty: 11 doctorates and two adjunct professors

ISM annual budget (including DMS): ₹133 cr

USP: MBA course has a dose of mine management

Also offers: MTech in Industrial Engineering and Management, PhD in Management

ISM gives these MBA students considerable exposure to management relating to mining and earth sciences.

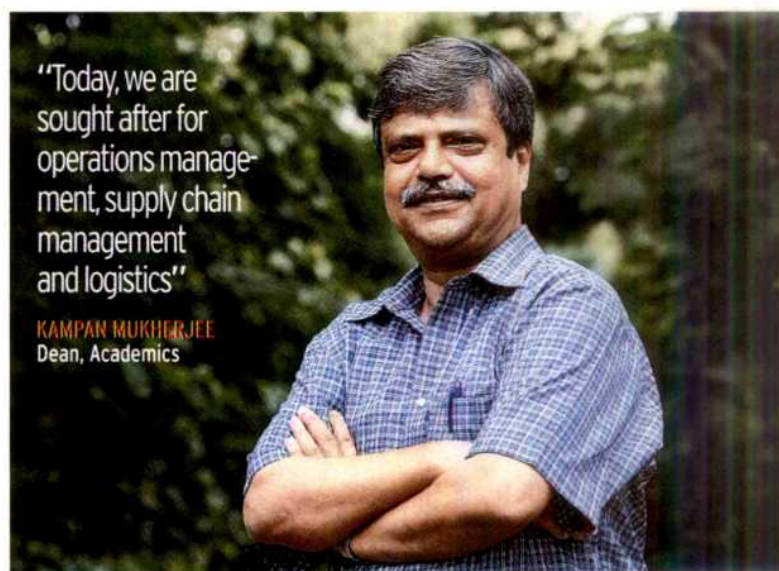
"An MBA degree from DMS has

this additional spin," says Chattopadhyay, a mechanical engineer who went on to do a masters in electrical engineering as well as a doctorate. "Our MBAs are recruited by Coal India, Hindustan Copper and so on... This course is so popular that not a single seat is vacant." This year, DMS has admitted 62 students in its MBA course.

ISM injects a dose of knowledge about financial management in the mining industry into the usual finance course for an MBA degree. So too with other MBA specialisations such as marketing. The institute also offers an integrated BTech-cum-MBA programme. Mukherjee says in the 1990s, fresh engineers usually preferred to do an MBA first and then diversify. But in the past 10 years, such is the demand for engineers that they stick to their profession for a couple of years before going back to get a management degree.

Chandan Bhar, Professor and Head, DMS, says the institute gets students from across the country and diverse backgrounds. Among its first students, for instance, was a humanities graduate from Russia. "We get students from all over India – not just ISM," he says.

Take Pratyaksha Tripathy, a sec-



"Today, we are sought after for operations management, supply chain management and logistics"

KAMPAN MUKHERJEE
Dean, Academics



ond-year MBA student. A Botany graduate from Delhi University's Hindu College, she loves the industry interface that DMS offers. During her internship at LG Electronics India, she did a project on employee engagement practices. "This was about how to motivate employees," says Tripathy. Other students have interned at equally prestigious companies such as Hindustan Aeronautics, Atlas Copco and Reliance Communications.

There are others working on their own interesting projects, ranging from how to use India's river system as a transport network, to manufacturing and selling mushroom chips like potato chips.

There is no difference in quality between an engineering graduate from IIT or ISM, says Bhar. "But IITs have a brand image, so their students get preference during placements," he adds. This has prompted the ISM to push for the status of an IIT, much like Roorkee – once synonymous with civil engineering – has achieved.

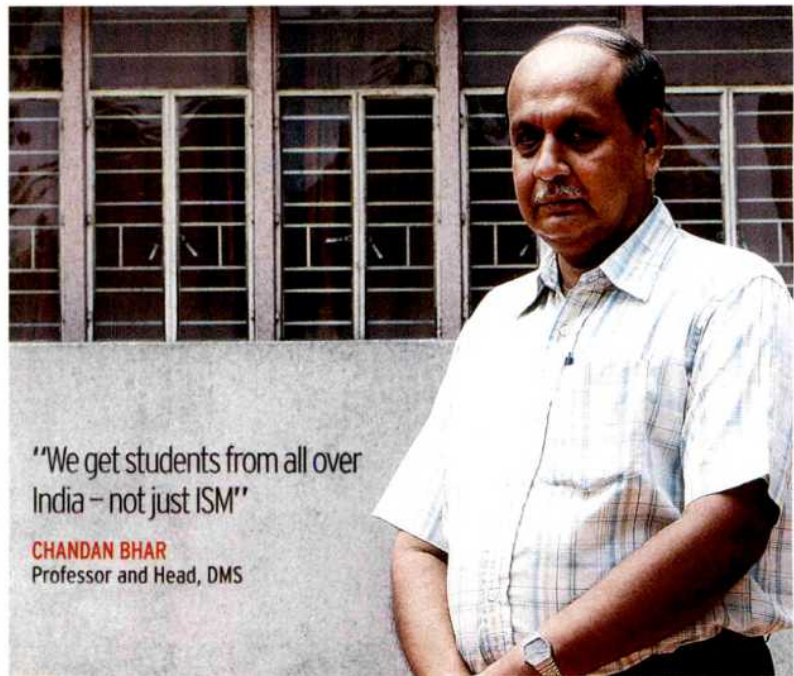
MTech students, who also have an MBA from DMS, are popular with industry. "Almost all our second-year MTech students are engaged in solving the problems of Jindal Steel & Power in Raigarh," says Bhar. "The company is so impressed that every year it takes four to five of our students." Tata Power has also recruited some MTech students for its Maithon power project.

Paramita Roy, a second-year student of MTech programme, did her summer training at Jindal Steel & Power. She graduated in Electrical Engineering from Kolkata's Jadavpur University and went on to work at IBM in Kolkata for some years before taking up MTech – not from Jadavpur but from DMS. "If we study here, we get a chance to work on live projects," she says. "We have management courses also in our curriculum."

If the students are busy, the fac-

ulty members are not idling either. In 2008, the Department of Mines Safety approached the institute with a problem: various committees had suggested that the department increase the number of its inspectors but the government was not agreeing to it. (The inspectors are today called deputy directors and directors.) What should it do? "This was one of our most successful consul-

wants to get into energy management, spanning the gamut of energy sources from coal to renewable sources such as solar and wind power. "We have also begun the groundwork for courses in renewable energy and courses in energy management that will cover all sources," says Mukherjee. "We have an edge over other institutes – we are covering mining as well as petroleum."



tancy assignments. We carried out a scientific study, and on the basis of this study [done in 2008], they got an additional 194 posts sanctioned," says Bhar. No mean feat during an economic downturn.

Niladri Das, Assistant Professor at the institute, says almost all the faculty members have taken on projects funded by the Department of Science and Technology, the University Grants Commission and other such bodies, and are also active in guiding entrepreneurs.

DMS has major ambitions: it

Today, the campus is a gigantic construction site as well. New buildings are coming up all over, including an eight-storeyed library billed as the largest in Asia. A swimming pool is being dug. The campus is also expanding. Very soon, it will add another 240 acres to its 220-acre campus. Not bad for an institute that began in army barracks put up during World War II. The ISM has not forgotten this heritage either: the original barracks are to be preserved as a museum of ISM's history and a record of the geology of the area. ♦

Instant relief from blocked nose is just a spray away.

Relief within

2

minutes*



**TRUSTED BY
DOCTORS**



Hold the dispenser
with your fingers.



Ensure that the tip
is inside your nostril.



Press the dispenser
in the centre to spray.



Take a deep breath.

Image for representation purpose only.

A blocked nose is no more the stubborn problem you know it to be. Otrivin nasal spray brings instant relief from a blocked nose within two minutes. That's what makes it the nasal decongestant prescribed by doctors*.

For information:

Call toll free **1800 209 3331** or SMS* **Otrivin** to **56677**.

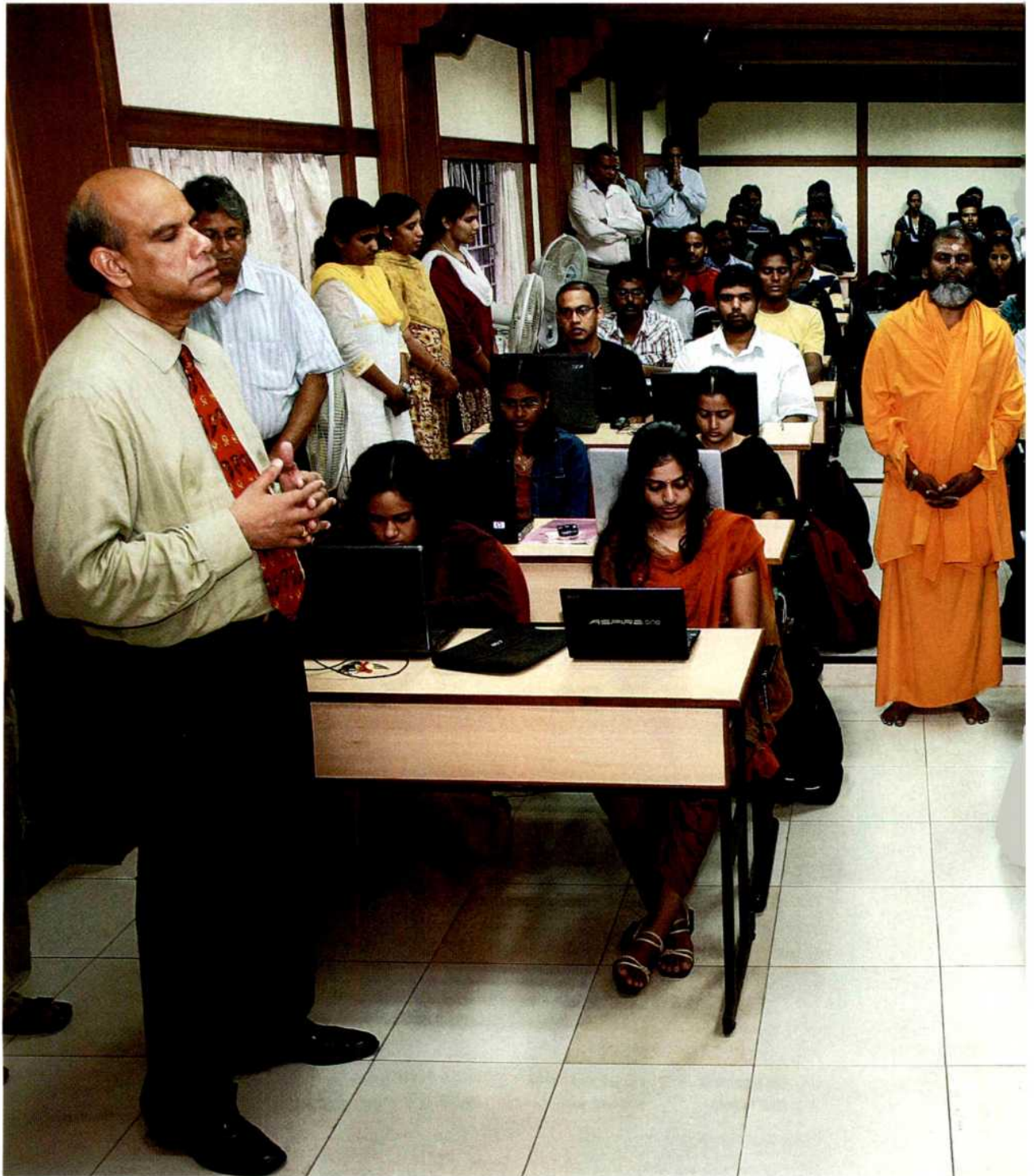
*SMS charges apply. Please check with your service provider for exact charges.

Otrivin®
The pleasure of breathing

 **NOVARTIS**

*#Data Source: IMS Medical Audit April '07 to March '11. *The median time to Onset of Subjective Relief of Nasal Obstruction following administration of Otrivin was 1.7 minutes. (Findings from a clinical study conducted by Novartis Consumer Health, Switzerland, 2007.)

PHOTOGRAPHS BY DEEPAK G. PAWAR/WWW.INDIATODAYIMAGES.COM



In God's name: Students offer silent prayers, along with Pro-Chancellor Abhayamrita Chaithanya (in saffron robes) and Dean Gurumurthy Kalyanaram (extreme left)



Mixing Business with Prayer

The Mata Amritanandamayi Trust-run school gives business education a touch of spirituality.

By K.R. BALASUBRAMANYAM

With a Common Admission Test, or CAT, score of 99.96 per cent, Vishnu Mohan, an IIT Madras graduate, got admission into two IIMs. But the institute he finally chose was the Amrita School of Business, or ASB, in Coimbatore, nestled amid the scenic Western Ghats.

What drew him to ASB? "I chose this school because spirituality and ethics are an important part of the learning here," he says. Started in 1996, ASB is part of the Amrita Vishwa Vidyapeetham, a deemed university run by the Mata Amritanandamayi Trust – founded under the educational initiatives of spiritual leader Mata Amritanandamayi Devi, or Amma – comprising five campuses with 16,000 students. ASB itself has four campuses – at Kollam, Kochi, Coimbatore and Bangalore.

At ASB, students are taught to blend life with peace. They study a compulsory



Bending it: (Top) Associate Professor C.S. Udhayakumar (centre) at a yoga session with students

After hours: Students chilling out in their hostel after a hard day



Read an interview with
Mata Amritanandamayi Devi at
www.businesstoday.in/amma

subject called Self Awareness and Personal Growth, or SAPG, for the first 18 months of the two-year course. "It is an extension of Amma's philosophy, which aims at enabling students to achieve a sense of balance in life," says Abhayamrita Chaitanya, the Vidyapeetham's Pro-Chancellor. The swami, who built

the university from scratch, leads a spartan life in a tiny hut on the Coimbatore campus, which started in 1996. The institute assigns the subject such high scores that students can ill-afford to ignore it. "It is not just part of our curriculum. It is at the core of our curriculum," says Dean Gurumurthy Kalyanaram.

The school asserts that the spirituality blended in pedagogy has

nothing to do with any particular religion. "We don't touch religion at all," says C.S. Udhayakumar, Associate Professor at ASB, who designed the course. "It is based on spirituality in a broad sense. It draws study material from the teachings of 'awakened beings' of all religions." Adds Kalyanaram: "There are Christians and Muslims on the campus. In fact, a father asked if we would allow his son to go out to offer his prayers. We said we would be delighted to do that." The students also have a compulsory one-hour yoga session every weekday.

Another vital part of ASB's MBA programme is the community outreach. Associate Professor Shobhana Madhavan, an IIM-A alumnus, who steers it, says it is intended to show the students, most of whom hail from well-do-do families, how the deprived sections live, and how they can help these sections in their own small way. All students, for instance,

Dream big with SBI Student Loan!

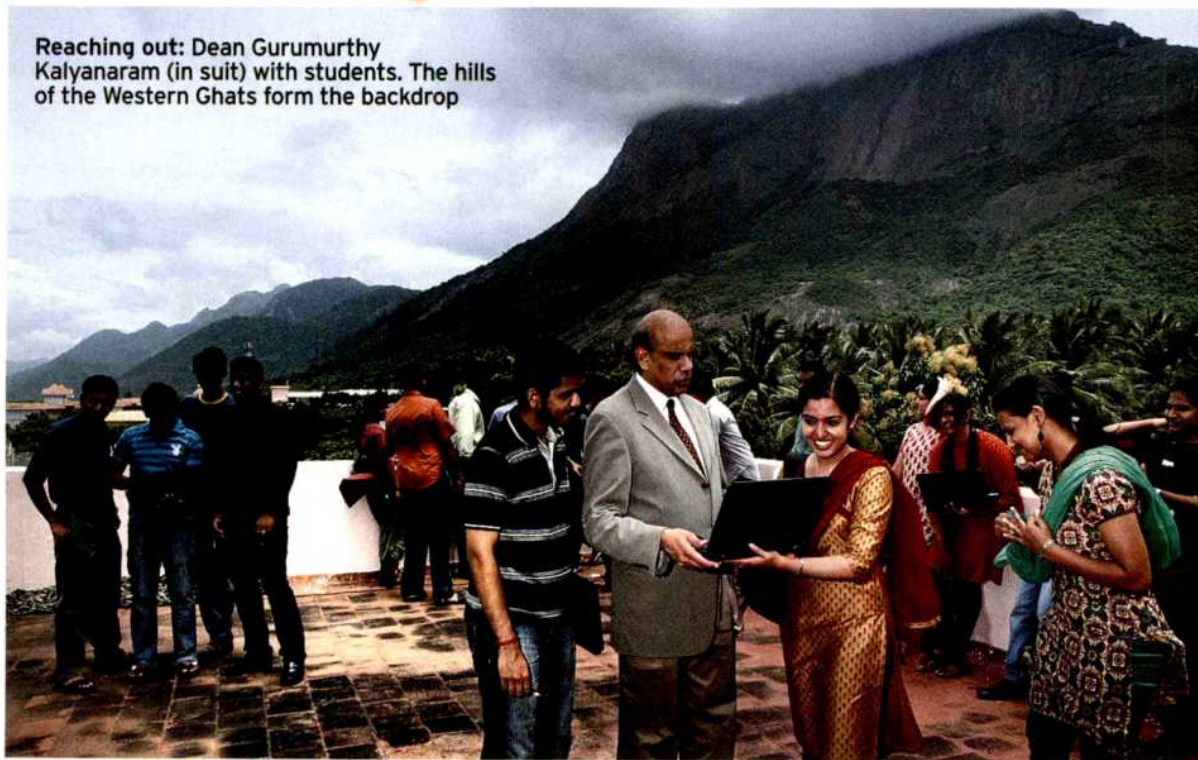


- ✓ Maximum loan of Rs.10 lacs for studies in India
- ✓ Maximum loan of Rs.20 lacs for studies abroad
- ✓ No processing fee
- ✓ Simple interest during moratorium/repayment holiday
- ✓ 1% interest rate concession for servicing interest during moratorium/repayment holiday
- ✓ Repayment up to 7 years
- ✓ Repayment starts 1 year after completion of course or 6 months after getting job
- ✓ No security for loan upto Rs.4 lacs and only parent/guardian as co-borrower
- ✓ No margin for loans upto Rs.4 lacs
- ✓ Loans above Rs.4 lacs, 5% margin for studies in India & 15% for studies abroad
- ✓ Online registration of loan applications

SBI Student Loan

24x7 Helpline: **1800 4253 800** (Toll free from BSNL/MTNL landlines/mobile nos.) or Visit www.sbi.co.in or Email: contactcentre@sbi.co.in

Reaching out: Dean Gurumurthy Kalyanaram (in suit) with students. The hills of the Western Ghats form the backdrop



spend a few hours on weekends at the Ambedkar Colony on the outskirts of the campus, where mostly poor Dalits live – teaching the children there and spending time with them. “It is sheer fun,” says Roshni Jayaraj, an MBA student. “I had never done anything like this before.” The interaction has helped many of the colony’s children do better at school, while a good number – despite studying in Tamil medium – have picked up English. “The (ASB) students have been coming here for the past seven years. That was very helpful for me,” says K. Kaviyarasi, who scored 435 out of 500 in Class X Board exams this year.

The outreach programme also involves working with NGOs, including one that shelters HIV positive kids, and interviewing impoverished people such as migrant labourers and beggars. “Most students have never met a person infected with HIV,” says Madhavan. “Interacting with such children builds awareness and removes prejudices.”

Amma, who has a following of millions, is clear about her purpose in setting up the deemed university.

“It aims to create an atmosphere to help students understand that serving society with a selfless attitude is also of prime importance,” she says on email.

The total fee for the two-year course varies between ₹7 and ₹10 lakh depending on which campus a student opts for. The four campuses together admit 300 students every year. Recruiters visiting ASB campuses include Future Group, Thomas Cook, ICICI Bank, IDBI Bank, among others. There are plans to set up campuses in Delhi, Ahmedabad, Hyderabad and Bhubaneswar in the next four years, the funding for which will come entirely from the trust. “The trust has so far invested about ₹1,100 crore on developing the existing campuses,” says Chaithanya. ♦



Pincer skills: Associate Professor Shobhana Madhavan (left) shows students how to use chopsticks

Loyola Institute of Business Administration (LIBA)

Approved by All India Council for Technical Education (AICTE)
& Association of Indian Universities (AIU)



We
prepare
you
for life.

Loyola Institute of Business Administration (LIBA), a premiere Jesuit Institution with exceptional world wide linkage, strives at the holistic formation of world class leaders with unmatched professional competence and a strong ethical perspective. LIBA endeavours to contribute to the sustained development and inclusive growth of the nation and the world at large by forming men and women imbued with a spirit of innovation and entrepreneurship.

Salient features of LIBA

- A Premier Business School, with proven track record of 30 plus years in management education, run by Jesuits committed to value-based education around the world
- 100% placement in blue-chip companies since the inception of the full-time programme
- Excellent Industry-Institute interactions
- Centers of Excellence in Supply Chain Management and Logistics, Retail Management, Business Ethics and Corporate Governance, Entrepreneurship and Behavioral Sciences
- Large number of highly qualified faculty with rich industry experience
- Linkages with over a dozen renowned international Universities

such as the Bordeaux School of Management, France and Griffith University, Australia, Bath University, UK, University of Sacred Heart, Italy, etc.

- Continuously updated industry oriented curriculum powered by latest teaching technologies
- Excellent infrastructure including a state-of-the-art computer centre
- Well-stocked, computerized library with over 22,000 management books, hundreds of journals & periodicals and electronic databases
- LIBA alumni captain world-class organizations both in India and abroad

Courses Offered

- PhD (affiliated to the University of Madras)
- Two-year full-time Postgraduate Diploma in Management (PGDM)
- Three-year part-time Postgraduate Diploma in Management (PGDM)
- One-year part-time Executive Diploma in various disciplines
- Blended Learning Programme
- Firm-Customized Management Programmes
- Week-end Certificate Programmes

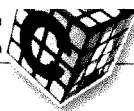


For further details on admission procedure, visit <http://www.liba.edu/admissions> or contact the admission office

Loyola Institute of Business Administration (LIBA)

Loyola College, Chennai - 600 034. Ph: 044-2817 5353 / 57 Email: admissions@liba.edu Website: www.liba.edu

Where innovation and values merge with excellence



And, Finally...

... Who came first, what matters most in choosing a B-school, whose opinion is trusted most while doing so, and more from the *Business Today*-Nielsen survey of India's best B-schools



GRAPHICS BY SANTOSH

It's A, B, C all the way, almost...

IIM Bangalore leads in most parameters. Recruiters, surprisingly, rank IIM Ahmedabad fourth in their wishlist, with IIM Indore following IIM Bangalore and IIM Calcutta. IIM Ahmedabad, however, is perceived to have the most competent faculty

Smarter business for a Smarter Planet:

What 3 million lines of code means to a piece of luggage.

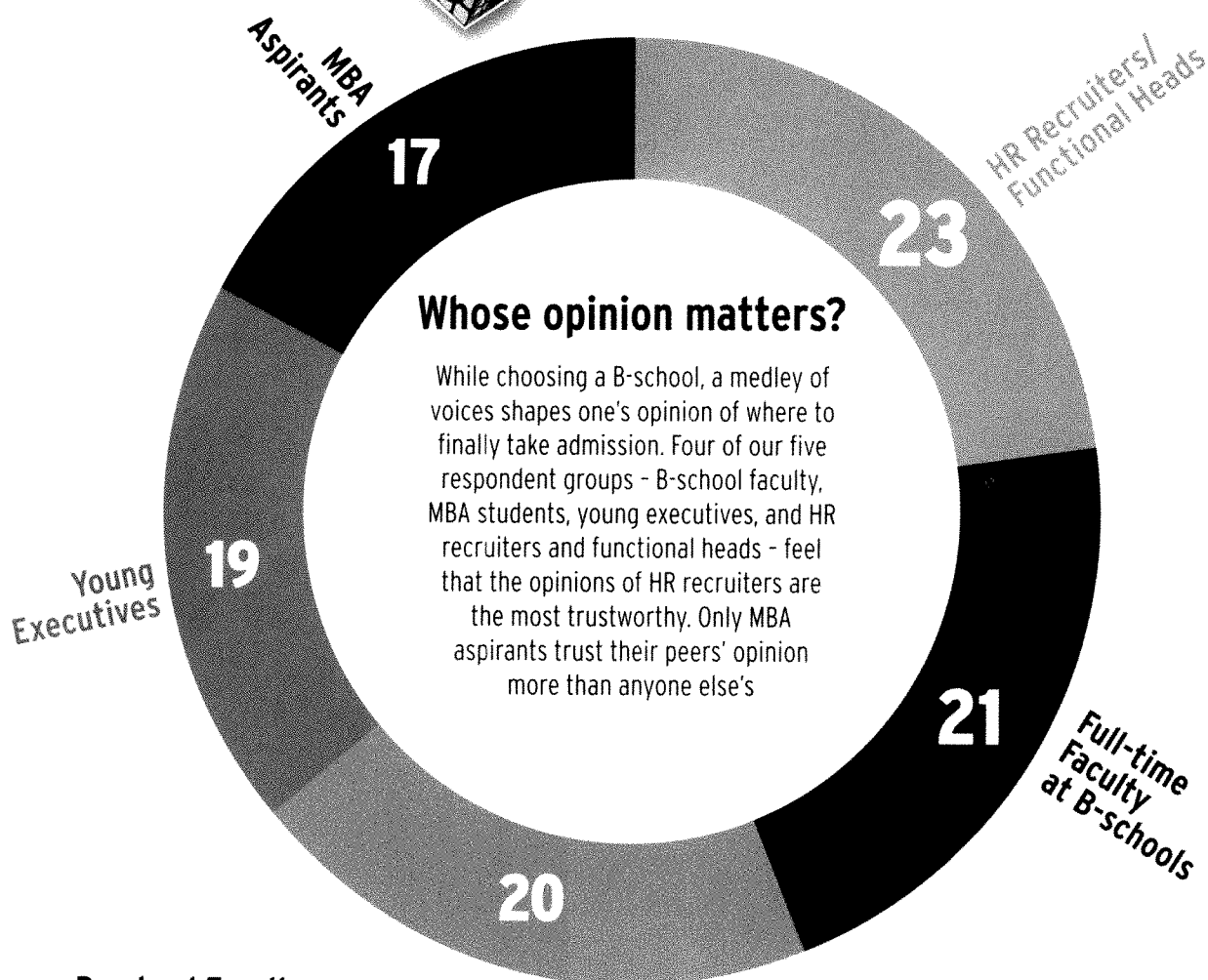
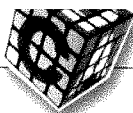
It means Amsterdam Airport Schiphol will be able to accurately and efficiently move 70 million pieces of luggage per year—20 million more bags per year than they used to. The airport's automated baggage solution will allow them to increase their baggage handling capacity by 40%, so they can meet the growing demand placed on them as one of Europe's largest transport hubs. This system is built on IBM Rational® and Tivoli® software and runs on Power Systems™. A smarter business is built on smarter software, systems and services.

Let's build a smarter planet. ibm.com/luggage/in

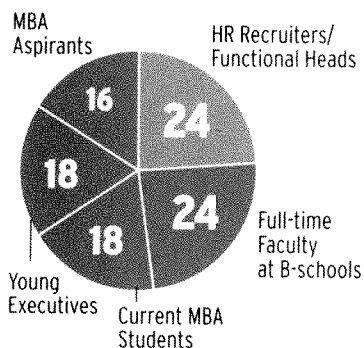


A data visualisation of the flow of baggage traffic at Amsterdam Airport Schiphol.

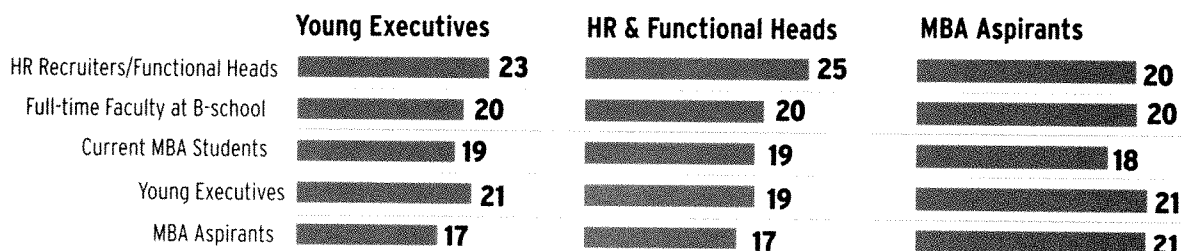
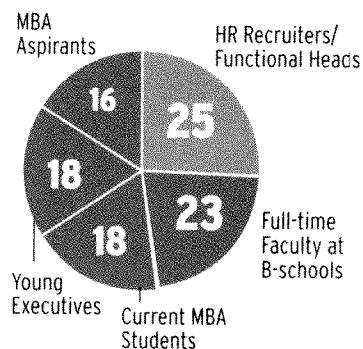
IBM, the IBM logo, ibm.com, Power Systems, Rational, Tivoli, Smarter Planet and the planet icon are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at www.ibm.com/legal/copytrade.shtml. © International Business Machines Corporation 2010.



B-school Faculty



Current MBA Students



Figures indicate the percentage of respondents who trust respective stakeholders' opinions in their choice of B-schools. Respondents groups include MBA aspirants (203); current MBA students (308); young executives (497); HR recruiters & functional heads (437); and B-school faculty members (287)

SHAPING YOUR FUTURE

BBDIT

Best emerging college in NCR as per survey conducted by Business Sphere

30th
RANK IN INDIA*
As Per Dataquest

3rd
RANK IN UP**
As Per Dataquest

An ISO 9001-2008 Certified Institute

Why BBDIT?

- Excellent placement with a package of Rs. 5 Lacs and above.
- Collaboration with Foreign University (Gannon University, USA)
- Complete personality development through regular seminars and industrial visits.
- Mentorship programme with industrial giants like Zensar Technologies etc.
- Best Engineering College of the year.
(source : Ghaziabad Management Association, Convention 2010)
**Among top technical schools incl. IITs, NIITs, Govt & Self - Financed institutions. (Dataquest - IDC Survey - 30th November 2010)

Affiliated to Mahamaya Technical University, Noida & Approved by the A.I.C.T.E. Ministry of HRD, Govt. of India

COURSES

Tech. (CS, IT, EC, EI & ME)

10+2 with 60% in PCM, Pref. to SEE-UPTU-2010 & AIEEE Rankers

B. Tech. IInd Shift (CS, EC & ME)

Lateral Entry - B.Tech. IInd Year Diploma or B.Sc. with 60%

MBA

60% in Graduation

MCA

50% in Graduation, with Maths in 12th or Graduation

COURSES

B. Tech. (CS, IT, EC, EI EN and ME)

10+2 with 50% in PCM, Pref. to SEE-UPTU-2010 & AIEEE Rankers

B. Tech. (CS, & EC)

Lateral Entry - B.Tech. IInd Year Diploma or B.Sc. with 50%

MBA

50% in Graduation

INTERNATIONAL PROGRAMME

MBA, MS From Gannon University USA

- 1 Year Work Permit of USA, No GMAT/GRE Required (Saver of Expenses)
- 1 Year Foundation Course at BBDIT and 1 Year at Gannon University Campus, Pennsylvania (USA)



Ghaziabad Campus
College Code 035



Bulandshahr Campus
College Code 018



Gannon University

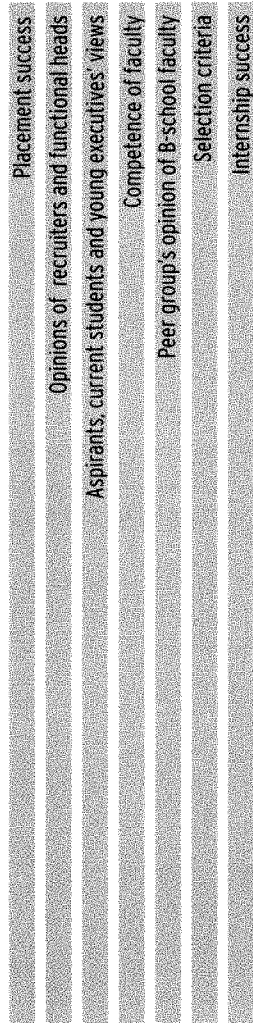
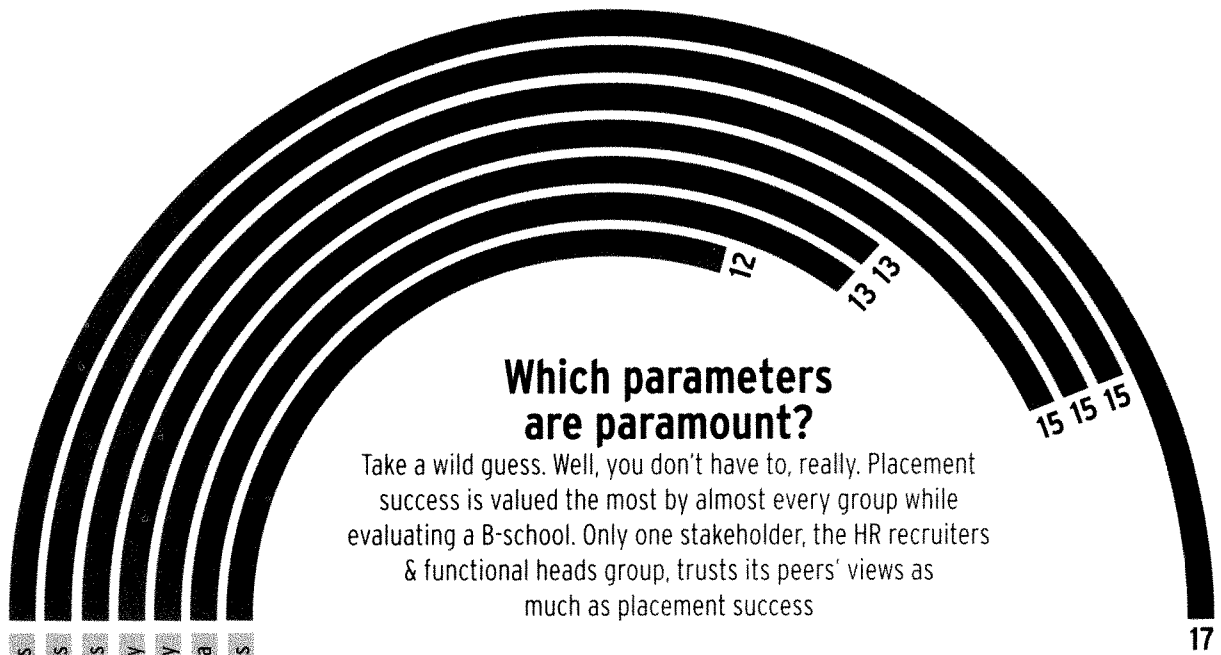
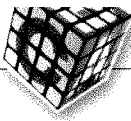
For Admissions/Registration, Contact :-

BABU BANARSI DAS INSTITUTE OF TECHNOLOGY (035) For Admissions SMS BBDIT @ 57575
7th KM on N.H. 58, Delhi- Meerut Road, Duhai, Ghaziabad (UP) Ph.: 0120- 2675912-14, 2679017-19

BABU BANARSI DAS INSTITUTE OF ENGINEERING TECHNOLOGY & RESEARCH CENTRE (018)
25th KM on Bulandshahr- Anoopshahr Road, Near Jahangirabad, Bulandshahr (NCR) 202394 For Admissions SMS BBIET @ 57575

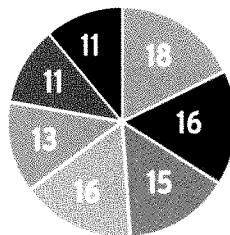
H.O.: C - 358, Lohia Nagar, Ghaziabad (UP), Ph.: 0120 2700751, 2759356, 2756249, Mobile: 9811209989, 9312703071
Website: www.bbdit.edu.in, E-mail: info@bbdit.edu.in, admission@bbdit.edu.in



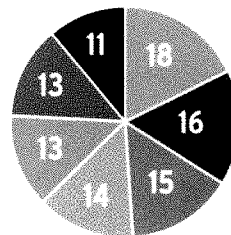


- Placement success
- Opinions by recruiters and functional heads
- Aspirants', current students' and young executives view of quality and reputation
- Competence of faculty
- Peer group's opinion of faculty
- Selection criteria
- Internship success

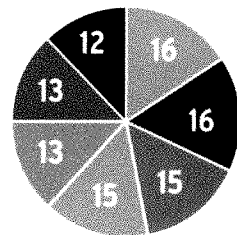
B-school Faculty



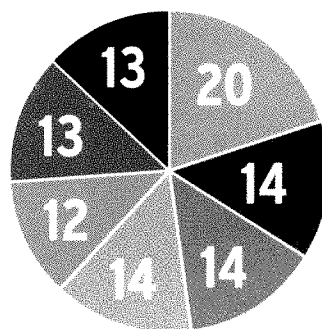
Current MBA Students



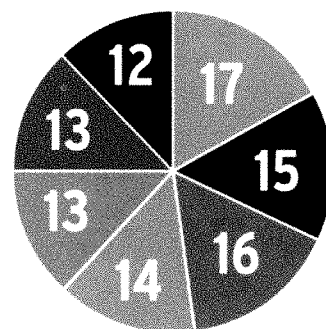
HR & Functional Heads



MBA Aspirants



Young Executives



Figures indicate the percentage of respondents (overall and within each group) who give credence to respective parameters while evaluating a B-school. Respondents groups include MBA aspirants (203); current MBA students (308); young executives (497); HR recruiters & functional heads (437); and B-school faculty members (287)

Transform Your Personality

@ Suryadatta Institute of Management SIBMT | SIMMC, Pune

2 Years of Industry Exposure with Rigorous Academic Inputs for Advancement in Your Career

Admission Notification (2012-14 Batch) For

AICTE approved Two Years Full Time
Unique PG Management Program **PGDM** with **Dual Specialization**

Residential Day Boarding Finishing B-School - For Holistic Development



Enlightening And Enriching Academic Ambience
For Holistic Development...

- Marketing + IB
- Human Resource + IB
- Finance + Marketing
- Marketing + IT
- Telecom + IT



Rigorous Academic
Input - Developing
Learning Skills

Dual Specialization,
Advanced Technologies, for
Multiple Career Options

Entrepreneurship
Development through
Incubation Center

Skill Development &
Employability
Enhancement Module

Industry Exposure
through field work
& mini projects

Mind & Body Fitness
through Yoga, Aerobics
Indoor & Outdoor Games

Value Based Career To
Live Happily, Successfully &
Completely For Long Life

Articulated,
designed modules
for global exposure

Eligibility : Any graduate with 50% marks with valid Entrance Test Score in any one of the
National Level Entrance Test such as CAT/XAT/MAT/ATMA/State CET

Advantage @ SURYADATTA

- State-of-the-art modern infrastructure facilities
- Well qualified Industry Experienced Faculty
- Wide spread strong Alumni Network - Suryans of over 5,000 professionals.
- Affordable Fees
- Separate Boys & Girls Hostel Facility
- Nation wide tie-up for Educational Loan like SBI, PNB, Allahabad Bank
- Commendable Placement Record

MBA Aspirants - Join Suryadatta Pune, To start your successful career in the corporate world and / OR to become an Entrepreneur

Suryadatta, with its rich experience of successfully offering Post Graduate Management Programs of Pune University since last over 12 years, pleased to announce commencement of MBA Program.

MBA

(University of Pune)
ADMISSION OPEN FOR 2011-12

Affiliated to University of Pune, Recognized by Govt. of Maharashtra & Approved by AICTE

SIBMT Institute Code : 6548

SIMMC Institute Code : 6547

Pune University Specializations : > Marketing > Production & Materials > International Business > Finance > HR > Systems

Eligibility : Any graduate with 50% marks with valid entrance test score in MH-CET

For more details, Call : 09881259845, 09767964334, 09422083909, 020-67901300



Suryadatta Education Foundation's
SURYADATTA INSTITUTE OF BUSINESS MANAGEMENT & TECHNOLOGY, SIBMT
SURYADATTA INSTITUTE OF MANAGEMENT & MASS COMMUNICATION, SIMMC
ISO 9001-2008 Certified Institutes by AQA International, LLC, USA

Institute Campus : S. No. 347, Chandni Chowk Pashan Road, Besides DSK Ranwara, Bavdhan (BK) Pune 21
Registered Office : 2074, Sadashiv Peth, Vijayanagar Colony, Pune 411 030, Maharashtra, INDIA

Website : www.sibmt.org / www.simmc.org / www.suryadatta.org



SURYADATTA CELEBRATING 14TH GLORIOUS YEAR OF ACADEMIC EXCELLENCE



SHALISH RAWAL

Numerical Nuggets...

...from 45 leading B-schools across the country

10%

Fall in sale of total application forms at these institutes, from 1.35 million in 2010 to 1.22 million in 2011

₹30 crore

Consultancy income earned by IIM Ahmedabad. It also has a library budget of ₹5 crore in 2010-11

₹7.06 crore

IIM Kozhikode's investments in IT infrastructure in 2009-10

₹309.2 crore

Capital investment made over the past three years by IIT Roorkee; IIM Calcutta and IMI Delhi have invested ₹135 crore each

7,500*

Total number of hostel rooms at IIT Roorkee; ICFAI Hyderabad has 2,500; ISM Dhanbad 1,600; and IIM Calcutta 1,203 rooms

97

Number of tie-ups IIM-Bangalore has with foreign institutes and universities

284

Area of Symbiosis Institute of Business Management, in acres

180

Number of students from Bangalore's XIME and Christ College visiting foreign universities or colleges

150

Number of international students in MDI Gurgaon

*For all departments combined

Note: Data was submitted by the institutes not audited by BT or Nielsen

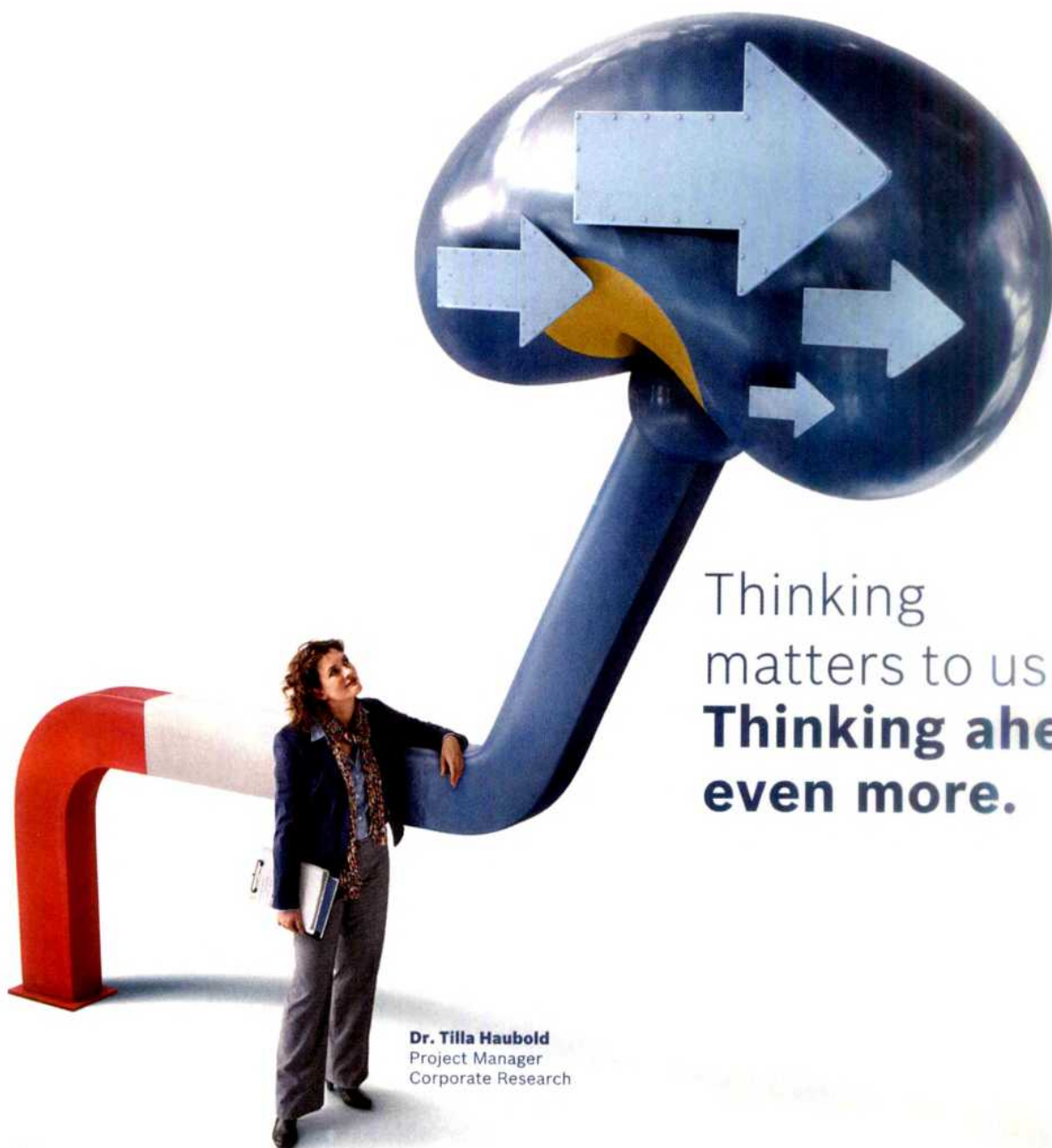


600

Number of computers in the IT lab at NIT Tiruchirapalli



More on www.businessToday.in/bestbschools



Thinking
matters to us.
**Thinking ahead
even more.**

Dr. Tilla Haubold
Project Manager
Corporate Research

125 Bosch
years 1886-2011

It's always good to think about tomorrow today. That's why, to meet the global challenges of our times, we develop, produce, and market internet-based products as well as energy-efficient solutions that protect the planet and go easy on resources. As a leading technology company and service provider with 10,000 associates all over the world, we take our corporate, social, and environmental responsibility seriously. If you'd like to join us in thinking ahead: www.bosch.com/bosch-thinking



BOSCH

Invented for life



Join the Digital Chatter

From exclusive online videos to a Facebook app, we are making it easier for you to get involved in the B-schools' discussion. Vote for your favourite school, browse our detailed school data or share your craziest B-school story. We want to hear from you



Exclusive school insights

Watch exclusive videos of Directors, Deans and students from our top B-schools. We ask Directors how their school stacks up and students what their fondest memories and biggest challenges have been. Starting August 17, we will be adding new videos all week. www.businesstoday.in/bschoolvideos



IIM-B Director **Pankaj Chandra** explains why his institute is unique



Popular Choice

Our B-school rankings are based on rigorous surveys. Don't agree with them? Log on to Facebook to vote for the B-school you think is best in our Facebook poll.



BUSINESS TODAY BEST B-SCHOOLS POPULAR CHOICE

Most Business School rankings are based on complex and rigorous surveys. But here, we want to know what the most popular Business School in India is according to you. Vote for the college you think is the best, and make your choice count. **Start Now.** (Check out Business Today's top B Schools of 2010)



B-School Stories

B-school admissions' officers are happy to talk about academics and faculty, but that's not all there is to a B-school. We asked several alumni what they learned in B-school that the admissions' officers did not tell them. To hear their stories or share yours, log on to facebook.com/businesstoday



IIM-A grad and current Educomp MD **Shantanu Prakash** talks about sneaking out to organise rock concerts



Info Edge founder **Sanjeev Bikhchandani** says his IIM-A batch still keeps in touch



Cybermedia Chairman **Pradeep Gupta** talks about Indra Nooyi



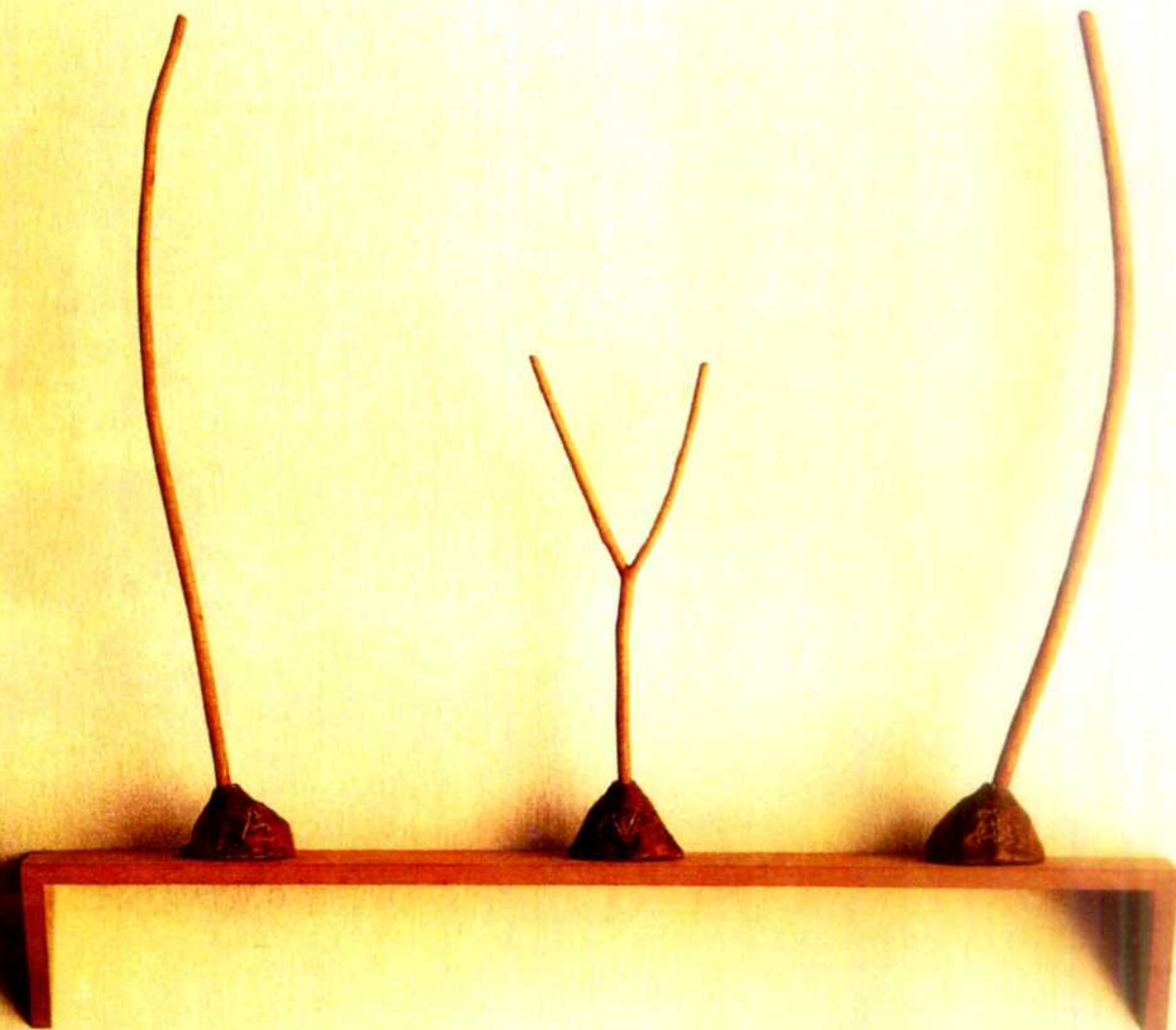
Explore our top 10 schools

Watch videos, browse photos and read interviews from the B-schools that won a place in this year's top 10, at the special links below:

- 1 IIM Bangalore www.businesstoday.in/iimb
- 2 IIM Calcutta www.businesstoday.in/iimc
- 3 IIM Ahmedabad www.businesstoday.in/iima
- 4 IIM Indore www.businesstoday.in/iimi
- 5 IIM Lucknow www.businesstoday.in/iiml
- 6 IIM Kozhikode www.businesstoday.in/iimk
- 7 IIFT Delhi www.businesstoday.in/iift
- 8 ISB Hyderabad www.businesstoday.in/isb
- 9 IIM Shillong www.businesstoday.in/iims
- 10 FMS Delhi www.businesstoday.in/fms
- 10 XLRI Jamshedpur www.businesstoday.in/xlri

◆ Dot Center of Ranchi with unique landmark design ◆ HVAC eco-friendly centrally air-conditioned with generator back-up ◆ Powder coated aluminum glazed windows ◆ Solar PV to generate power for lighting ◆ Double glazed tinted glasses ◆ Terrace Garden Restaurant ◆ Fire resistant false ceiling ◆

By far - the greenest & seskiest building in Town



*Introducing
Jharkhand's 1st Green Building
Welcome Corporates*

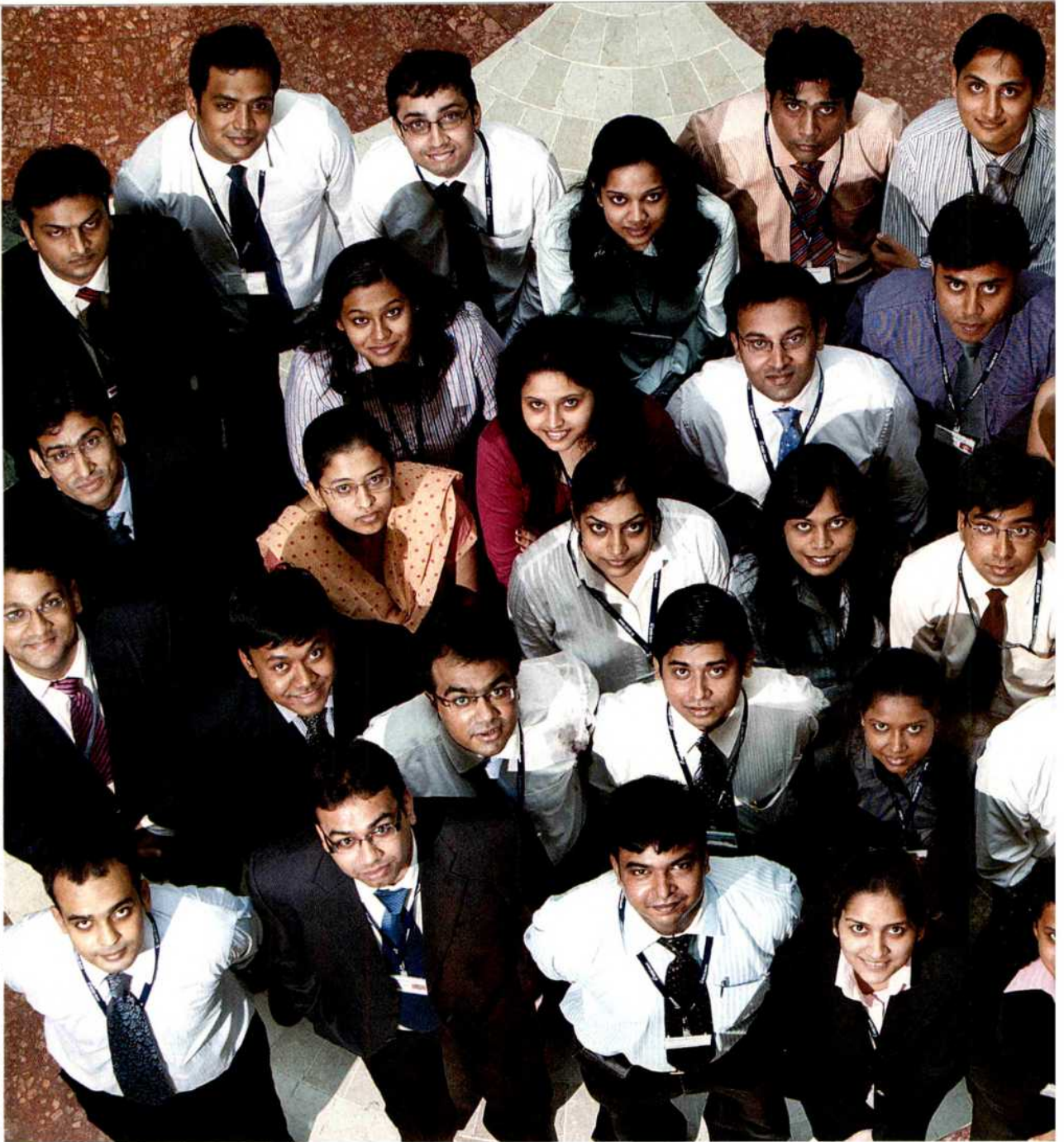
BOOK YOUR SPACE NOW !!



5, Main Road, Ranchi, Jharkhand ☎ 09334481112. e-mail: dms_durgesh@yahoo.com Shree Nand Bhawan

◆ Finished Walls ◆ Silent Generators ◆ Rain water harvesting ◆ Finished toilets & pantry ◆ Anti skid white Flooring ◆

NISHIKANT GAMRE/www.indiatodayimages.com



The Great Campus TALENT HUNT

Sixteen B-schools, 10 engineering colleges, 3,119 job offers. A look at the top 25 hirers from professional institutes in India. By SHAMNI PANDE

Heads up: ICICI Bank's campus recruits at its Mumbai headquarters

B-SCHOOL BUZZERS

Companies that recruited the most across B-school campuses in 2010/11 academic session

RECRUITERS	NO. OF STUDENTS HIRED
ICICI Bank	139
Deloitte	98
P&G/Infosys	83
Cognizant	71
Accenture	39
Wipro	35
SBI	32
Goldman Sachs	31
Airtel	30
JPMorgan Chase	29
Deutsche Bank/McKinsey	22
YES Bank	21
Reliance	20
Citibank/BCG	19
Polaris	15

Source: BT Research

It is a high-voltage drama every year at every business and engineering college worth its salt in India. Human resource departments of all major companies set aside a full quarter during which they go talent hunting, positioning their brand to prospective recruits.

BT kept an ear to the ground to capture the action on campuses this year. We carried out our own research with some help from minglebox.com, an education portal for information and advice on exams and careers (for B-schools), and employment portal firstnaukri.com (for

engineering colleges). The details of the recruitment process at the hallowed Indian Institutes of Management, or IIMs, and the Indian Institutes of Technology, or IITs, and other top-notch campuses, were closely examined to cull out leads.

We obtained data from 26 of the best institutes. Many others were contacted but their data was not available in time (for instance, IIM Bangalore). Some others, such as IIM Kozhikode, declined to reveal full information due to confidentiality agreements. We sought information primarily on the number of hires, as many campuses declined to

reveal specific salary offers.

Of the 26 institutions on our list, 16 were B-schools: IIM Ahmedabad; IIM Calcutta; IIM Lucknow; IIM Indore; IIM Shillong; Indian Institute of Foreign Trade Delhi; Delhi University's Faculty of Management Studies; Management Development Institute Gurgaon; TA Pai Management Institute Manipal; IIT Bombay's Shailesh J. Mehta School of Management; IIT Delhi's Department of Management Studies; Narsee Monjee Institute of Management Studies, Mumbai; Xavier Institute Of Management Bhubaneswar; Loyola Institute of Business Administration Chennai; Symbiosis Institute of Business Management Pune and Institute of Management Technology Ghaziabad.

The 10 engineering colleges were IIT Chennai; IIT Roorkee; IIT Guwahati; National Institute of Technology Warangal; Motilal Nehru National Institute of Technology Allahabad; PSG College of Technology Coimbatore; Indian School of Mines Dhanbad; IIT BHU; Anna University Chennai and

National Institute of Technology Trichy.

Most of the recruiters on our list are regular annual campus visitors who have honed their skills at spotting 'right fit' candidates for their companies. This year ICICI Bank turned out to be the top recruiter on B-school campuses with a total of 139 hires replacing Cognizant from last year. It had ranked second last year followed by Deloitte, Infosys and YES Bank.

"We like to avoid prima donnas, people who think they are God's gift to mankind," says K. Ramkumar, Group Chief Human Resources Officer, ICICI Bank. The bank sends "DNA anchors" – or people who reflect its identity and work as its brand ambassadors – to seek out talent on campuses. The bank has also developed its own psychometric analysis to gauge ability. "We do not want people who expect a silver spoon. We need people who are realistic and do not view problems as difficulties," says Ramkumar.

Similarly, Procter & Gamble, or P&G, which was the third largest recruiter with Infosys, has been

"We look for people who can take responsibilities, have a strong value system and result-oriented approach"

SONALI ROYCHOWDHURY, Head, Human Resources, P&G India



On the ball: P&G's Sonali Roychowdhury (centre) with new recruits

NISHIKANT GAMRE



एन एम डी सी



NMDC

Success...
It's Our Genetic Material..!

TURNOVER

up
11%

PBT

up
18%

PAT

up
20%

Production & Sales

up
7%

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-June-2011

(₹ in Crore)

	Unaudited		Audited
	Three months ended		Year Ended
	30-Jun-11	30-Jun-10	31-Mar-11
1. Net Sales / Income from Operations	2,782.61	2,517.99	11,368.94
2. Expenditure			
a) Increase(-) / decrease(+) in stock in trade	-1.07	-23.13	-133.17
b) Consumption of raw materials	6.23	-	23.18
c) Consumption of Stores & spares	39.80	44.51	212.95
d) Employees Cost	129.23	110.08	492.39
e) Selling Exps incl. Freight out	42.73	126.13	863.86
f) Depreciation & DRE	33.79	23.72	124.98
g) Royalty & Cess	237.57	139.33	931.76
h) Other Expenditure	73.47	69.96	311.52
TOTAL	561.75	490.60	2,847.47
3. Profit from operations before Other income, interest & Exceptional items (1-2)	2,220.86	2,027.39	8,521.47
4. Other income	441.82	221.83	1,205.70
5. Profit before interest & exceptional items (3+4)	2,662.68	2,249.22	9,727.17
6. Interest	-	-	-
7. Profit after interest but before exceptional items (5-6)	2,662.68	2,249.22	9,727.17
8. Exceptional Items	-	-	-
9. Profit from ordinary activities before Tax (7+8)	2,662.68	2,249.22	9,727.17
10. Tax expense	861.53	745.18	3,227.95
11. Net Profit from ordinary activities after tax (9-10)	1,801.15	1,504.04	6,499.22
12. Extraordinary items (net of tax expense Rs.-)	-	-	-
13. Net Profit for the period (11-12)	1,801.15	1,504.04	6,499.22
14. Paid-up Equity Share Capital	396.47	396.47	396.47
Face value per share	₹ 1/-	₹ 1/-	₹ 1/-
15. Reserves excluding revaluation reserves	-	-	18,818.05
16. EPS for the period (Rs.) - Basic and diluted before and after extraordinary items	4.54	3.79	16.39
17. Public share holding			
- Number of Shares	396,297,820	396,297,820	396,297,820
- Percentage of shareholding	10.00	10.00	10.00
18. Promoters and promoter group shareholding			
a) Pledged / Encumbered			
- Number of Shares	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-
b) Non Encumbered			
- Number of Shares	3,568,418,180	3,568,418,180	3,568,418,180
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	90.00	90.00	90.00

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(₹ in Crore)

	Unaudited		Audited
	Three months ended		Year Ended
	30-Jun-2011	30-Jun-2010	31-Mar-2011
1. Segment Revenue (net sale / income from each segment)			
a) Iron Ore	2,770.41	2,509.36	11,328.11
b) Other Minerals & Services	16.03	8.63	83.60
TOTAL	2,786.44	2,517.99	11,411.71
Less : Inter segment revenue	3.83	-	42.77
Net sales / income from operations	2,782.61	2,517.99	11,368.94
2. Segment Results (profit (+) / loss (-) before tax and interest from each segment)			
a) Iron ore	2,281.60	2,058.41	8,743.70
b) Other Minerals & Services	-15.63	-1.33	-14.62
TOTAL	2,265.97	2,057.08	8,729.08
Less: Interest	-	-	-
Add : Other unallocable income net off unallocable expenditure	396.71	192.14	968.09
Total Profit before Tax	2,662.68	2,249.22	9,727.17
3. Capital Employed (Segment assets-Segment Liabilities)			
a) Iron Ore	1,639.83	1,612.17	1,725.61
b) Other Minerals & Services	121.42	94.82	128.24
c) Other offices	19,341.35	14,132.34	17,449.10
TOTAL	21,102.60	15,839.33	19,302.95

NOTES :

- (1) Action has been initiated to sell the plant and machinery of Silica Sand Project, Lalapur and UPFO Plant, Vizag.
- (2) The Company has received 54 complaints from investors (mainly in connection with FPO) and all of them have been disposed off, therefore, complaints lying unresolved at the quarter ended 30-Jun-2011 may be treated as "NIL".
- (3) The above financial results have been reviewed by the Audit Committee at its meeting held on 28-Jul-2011 and approved by the Board of Directors at its meeting held on 28-Jul-2011.

For and on behalf of NMDC Limited
Sd/-

(Shri Rana Som)

Chairman-cum-Managing Director

Place : New Delhi
Date : 28-Jul-2011



NMDC LIMITED

(A Government of India Enterprise)

Regd. Office: 10-3-311/A, Khanji Bhavan, Castle Hills, Masab Tank, Hyderabad - 500 173, A.P. India.

www.nmdc.co.in

UMESH GOSHWAMI



Dream Team: Deloitte India's Dhananjay Bansod (centre, holding laptop), with his team of new recruits in Mumbai

"Students are clear about where they want to go and their choices are not being driven by money or brand"

DHANANJAY BANSOD, Chief People Officer, Deloitte India

scouting for people who demonstrate leadership abilities. "We look for people with the ability to take on responsibilities at an early stage, with a strong value system and a result-oriented approach," says Sonali Roychowdhury, Head of Human Resources at P&G India.

P&G has risen way above its FMCG rivals in campus recruitments, and is regularly seen at all the IIMs, XLRI Jamshedpur, National Institute of Industrial Engineering, Mumbai; Mudra Institute of Communications, Ahmedabad; Management Development Institute, Gurgaon; Jamnalal Bajaj Institute of Management Studies, Mumbai; IIT Delhi and the Delhi School of Economics. This year, it tapped 10 new B-schools, in addition to the 15-odd institutes it visits each year. While 87 per cent of its recruitments were from B-schools, the remaining were engineering graduates.

Our survey, conducted by minglebox.com (See *Best Hirers in Business*), shows a shift in student preference from sectors such as investment banking and information technology to fast moving consumer goods, or FMCG. As in the past, domestic companies made the bulk of the

recruitments, with only around two per cent being hired by foreign firms for positions abroad. At IIM Ahmedabad, for instance, other than banks, consulting firms such as Oliver Wyman, Analysys Mason and Heidrick & Struggles made offers for jobs in New York, Dubai and Singapore. Among the marketing firms, Hindustan Unilever Ltd, or HUL, and P&G offered jobs in Singapore. Cadbury Kraft and Dabur, too, made global offers.

However, hiring patterns are clearly undergoing a shake-up. IIM Lucknow saw a record 206 companies make 528 offers. Aside from the traditional

favourites, Jaipur Rugs, an SME firm, also made an entry on campuses as it sought talent for its handicrafts business, while Reliance Industries scouted for talent in sports management. An interesting entrant was the Nodwin Group, a Gurgaon diversified business group, which offered entrepreneurship roles to candidates willing to set up their own ventures. Microfinance players such as JFS and BASIX also found takers among the students.

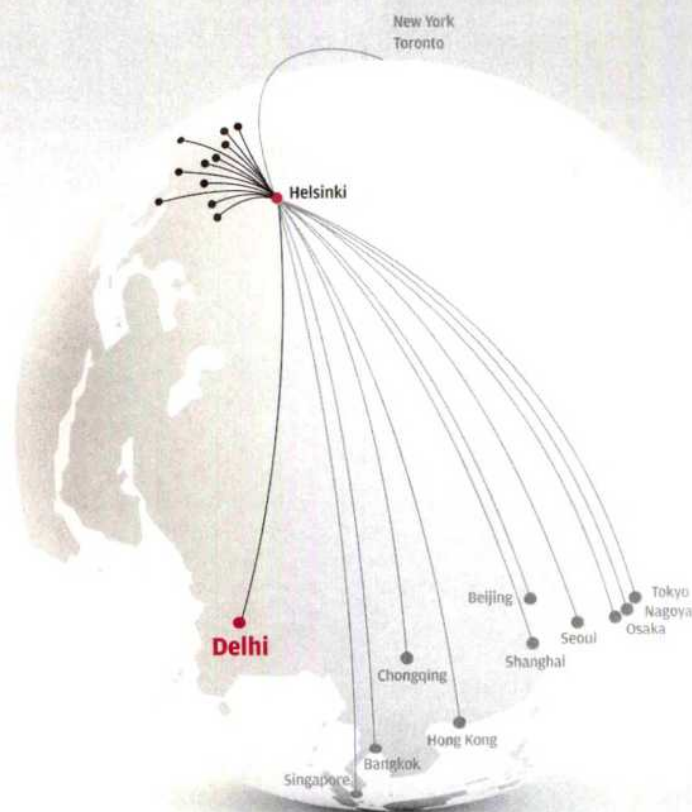
Yet, it should not be assumed that all is well on our campuses. ICICI Bank felt that the training at some B-schools was far removed from what organisations wanted. "We have been going to campuses for over three decades and feel that many institutes do not make an attempt to partner with companies to understand their real needs," says Ramkumar. He was unhappy that some institutes were "too full of themselves" and thought they could "dictate terms" to recruiters. (Also see K. Ramkumar's column *Reclaim the B-school from the P-Mart* on Page 88).

But there is a difference of opinion here too. Dhananjay Bansod, Chief People Officer, Deloitte India, which emerged as the second largest recruiter on B-school campuses, and features on the list of top-10 recruiters in engineering colleges, says both companies and campuses are undergoing a radical change. "Today, students are very clear about where they want to go and their choices are not blindly driven by money or the brand," he says. Similarly, companies are clear about what kind of recruits they want. "However, it is also our larger responsibility. We have taken it upon ourselves to groom young talent into highly employable talent," he adds.

Thus, as Bansod says, the onus is on recruiters as well to engineer partnerships. ♦



FLY THE **SHORTCUT** TO EUROPE ON FINNAIR



Fast to 50+ destinations via Helsinki

Experience distinctive Finnair service and enjoy smooth transfers
via Helsinki to arrive relaxed and refreshed for business.

- Convenient morning departures from Delhi on latest A330 aircraft
- Choice of Indian/Continental cuisine • Complement of Indian crew • Lie-flat seats in Business Class
- SMS check-in for Finnair Plus members • Friendly fares • Finnair - ranked amongst the world's five most innovative airlines • Helsinki airport - rated one of the finest in the world

For corporate travel benefits visit www.askforanoffer.finnair.com



Call toll free **1800 102 1233** or contact your travel agent
Visit finnair.com/in
Enjoy air mile benefits with oneworld alliance
Welcome aboard the youngest fleet in Europe!

FINNAIR
DESIGNED FOR YOU

BEST HIRERS IN BUSINESS

Domestic companies made the bulk of placement offers at premier business schools

(Figures show number of students hired)

IIFT



Cognizant



Infosys



HCL Technologies



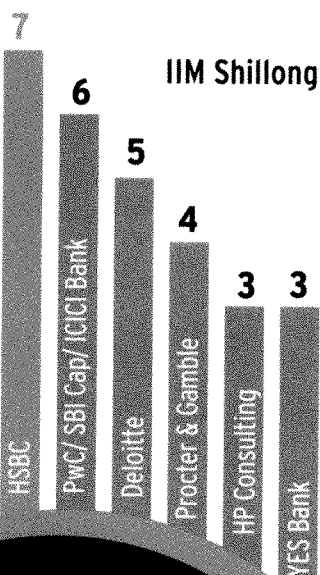
P&G/Tata Steel/SBI



Deutsche Bank



Tata Motors/Bharti Airtel



NMIMS

Infosys	36
ICICI Bank	34
JPMorgan Chase	13
Accenture	9
SBI	9

Wipro Group hired 9 (Wipro Ltd 5, Wipro CCL 3 and Wipro Ecoenergy 1). CRISIL and Irelva came together and recruited 6+4, i.e. 10 in all



XIMB

Polaris	15
Cognizant	11
TCS	10
JPMC	9
PwC	8
Capgemini/ICICI Bank	7

TAPMI

P&G	9
Deloitte Consulting	8
Accenture	7
Goldman Sachs/Citibank	6
Deutsche Bank/RBI	5

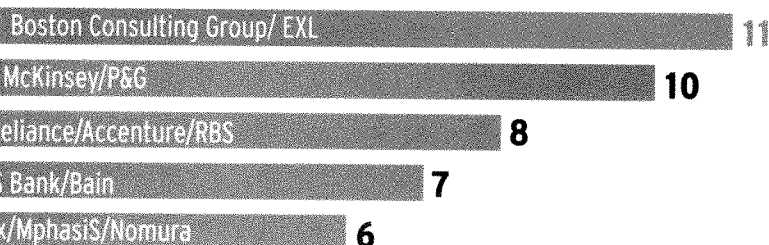
IIM Lucknow

Deloitte	24
ICICI Bank	22
Procter & Gamble	16
Cognizant	15
Axis Bank	10

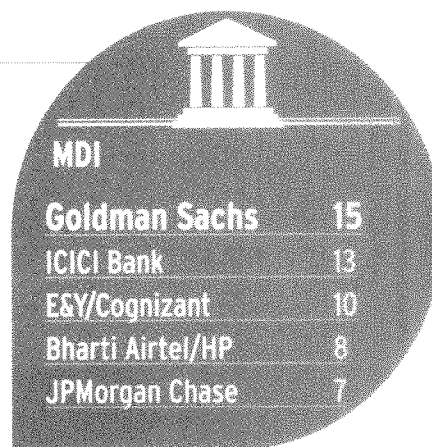
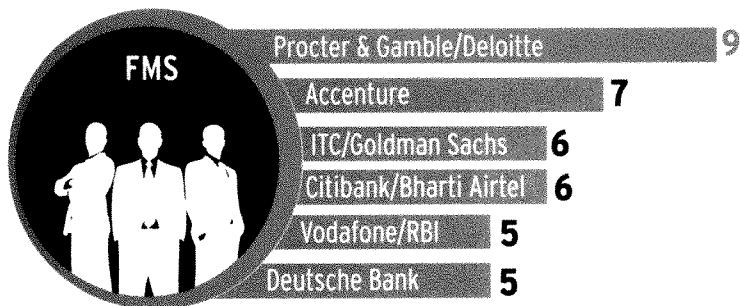
SJMSOM IIT Bombay

P&G/Deloitte	7
ICICI Bank	6
YES Bank/Accenture	5
Global eProcure	4
Johnson & Johnson	3

IIM Ahmedabad



IIFT: Indian Institute of Foreign Trade; IIM: Indian Institute of Management; XIMB: Xavier Institute of Management, Bhubaneswar; SJMSOM-IITB: Shailesh J. Mehta School of Management, IIT Bombay; FMS: Faculty of Management Studies; MDI: Management Development Institute; SIBM: Symbiosis Institute of Business Management; LIBA: Loyola Institute of Business Administration; IMT: Institute of Management Technology; IIT Delhi DMS: Department of Management Studies; TAPMI: TA Pai Management Institute; NMIMS: Narsee Monjee Institute of Management Studies



IIM Indore

Deloitte	16
ICICI Bank	14
Cognizant	13
Reliance Industries/Reliance Power	12
Wipro Consulting	12

SIBM Pune

Deloitte	19
Infosys	18
Wipro Ltd	11
Cummins India	8
Deutsche Bank Operations International	7

IIM Calcutta

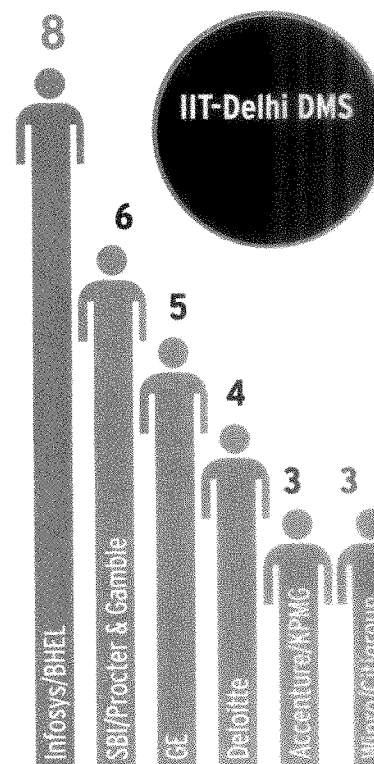
ICICI Bank	18
McKinsey	12
Procter & Gamble	11
Bharti Airtel	9
AT Kearney	8
Boston Consulting Group	8

LIBA

ICICI Bank	14
Infosys/Cognizant Technologies	9
Deloitte/YES Bank	6
SBI	5
Citibank	4

IMT Ghaziabad

Procter & Gamble	5
Goldman Sachs (India) Securities	4
HCL Technologies	4
Jumbo Electronics/Bharti Airtel/Wrigley India	2
Vodafone Essar/Jindal Steel & Power	2
Trident Group/Goodyear India	1



PwC: PricewaterhouseCoopers; SBI Cap: SBI Capital; TCS: Tata Consultancy Services; JPMC: JPMorgan & Co; RBI: Reserve Bank of India; P&G: Procter & Gamble; RBS: Royal Bank of Scotland; GE: General Electric; BHEL: Bharat Heavy Electricals Ltd; HP: Hewlett-Packard; E&Y: Ernst & Young; SBI: State Bank of India

Source: BT Research

COOL CHOICES

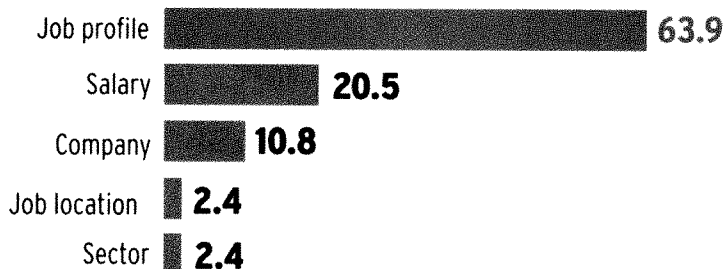
What students are looking for

Most preferred sectors for students

FMCG	28.9
Management Consulting	27.7
Investment Banking	14.5
BFSI/ IT/ITES	10.8
Others	4.8
Entrepreneurship	2.4

Figures in per cent

Key criteria while choosing a job



Most preferred companies by students

HUL	TAS
Deloitte	Deutsche Bank
P&G	YES Bank
BCG	Microsoft
McKinsey & Co	JPMorgan
Citibank	Infosys
	E&Y

60.2



ICICI, P&G, Deloitte and McKinsey were the top recruiters overall

IIM Calcutta recorded an average salary of ₹17.6 lakh

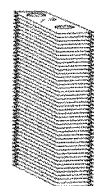
206 companies visited IIM Lucknow

25.3



Salary expectation of MBA graduates

8.4



4.8



1.2



₹10-15 lakh ₹15-20 lakh More than ₹20 lakh ₹5-10 lakh Less Than ₹5 lakh

Figures in per cent

Source: minglebox.com

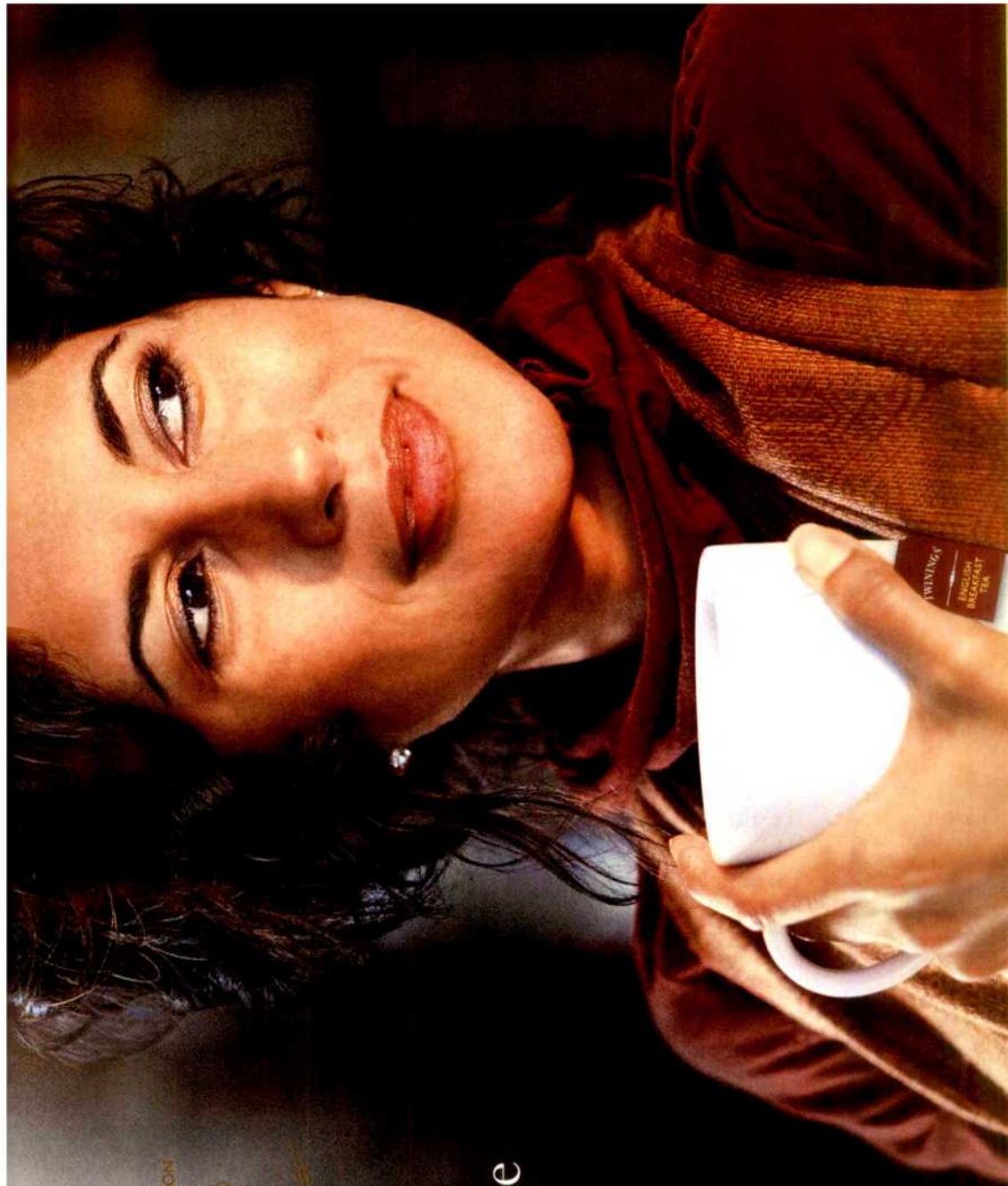
Footnote: FMCG: fast moving consumer goods; BFSI: banking, financial services and insurance; IT/ITES: information technology/IT-related services; P&G: Procter & Gamble; IIM: Indian Institute of Management; HUL: Hindustan Unilever; TAS: Formerly known as Tata Administrative Services; E&Y: Ernst & Young.



BY APPOINTMENT TO HER MAJESTY QUEEN ELIZABETH II
TEA & COFFEE MERCHANTS R. TWINING AND COMPANY LIMITED, LONDON

TWININGS®
OF LONDON

Discover the World's Finest Range of Teas



Over 300 years. Over 100 countries. Over 18 of the finest blends to choose from.

6 Premium Black and Flavoured Teas, 5 Green Teas, 9 Herbal and Fruit Infusions.

For more information contact us at: consumer.speak@twining.com Available in select cities/outlets.



Back to the Core

Manufacturing and infrastructure companies join IT firms in recruiting heavily from engineering colleges. By SHAMNI PANDE

Adil Malia, Group President of Human Resources at Essar Group, is delighted. His strategy of marketing the company's brand more aggressively across engineering colleges this year has paid off, enabling it to hire 560 students across the country. With a 22 per cent

rise in its campus recruitment this year compared to the last, Essar featured for the first time on BT's list of top recruiters on engineering campuses at seventh spot.

Essar Steel is part of a manufacturing and infrastructure brigade which has emerged strong recruiters across engineering campuses this year, hiring more than the

By the books: Fresh recruits at IBM going through a company booklet at its Bangalore campus

STOP
ING
OVATION.

START
DOING IT.

IBM

DEEPAK PAWAR

I never see
what has been done;
I only see what
remains to be done.

Marie Curie
Nobel Laureate in Chemistry



On August 30, 2011, meet the extraordinary women
who personify achievement and success in Indian business.

business today

BIG HIRERS

Top 10 recruiters at engineering colleges in 2010/11 academic session

RECRUITER	NO. OF STUDENTS HIRED
TCS	1,344
IBM	324
Wipro	250
BHEL	128
Larsen & Toubro	88
Oracle	80
Deloitte	74
Reliance Industries	64
Essar Steel	52
Tata Steel	31

Source: BT Research

traditional big recruiters, the information technology, or IT, and IT-enabled services companies.

Curiously, one leading IT firm Cognizant, a major hirer in past years, does not feature in *BT*'s top 10 list of hirers on engineering campuses this time, though it continues to rank high among B-school recruiters. Shankar Srinivasan, Chief People Officer at Cognizant, denies any waning of interest in fresh engineering recruits. "It is wrong to assume that we were low key in our presence on campuses this year," he says. "We recruited 1,643 candidates from VIT University in Vellore alone across undergraduate and postgraduate disciplines." He feels Cognizant fell off the engineering list only because VIT was not considered in the *BT* survey. Cognizant has made a net addition of 25,700 people this year, compared to 21,800 last year.

BT's list of recruitments from top engineering colleges gives a fair view of the action on the ground, clearly pointing to the core segments competing for fresh talent. "India's real strength lies in manufacturing and the onus is on us to hire and groom talent," says Malia of Essar Group. For over a year now, Essar Group has been holding periodic meetings of its placement officers at its headquarters in Hazira, Gujarat, to explain the organisation structure and discuss possibilities for inducting fresh talent. The company even got its plant heads to visit campuses to showcase how they had joined as

"The country's real strength lies in manufacturing and the onus is on us to hire and groom talent"

ADIL MALIA, Group President of Human Resources, Essar Group

utter freshers but since risen to occupy top positions.

Among IT companies, Tata Consultancy Services bettered its last year's second spot by replacing Cognizant, while IBM, having ramped up its campus presence considerably this year, also climbed up one rank to emerge second. "We have continued to grow stronger over the years," says Chandrasekhar Sripada, HR Head at IBM India and South Asia. "Students see our global presence, the global opportunities and technology leadership we offer them." Wipro, too, has hired in large numbers this year. "We have been very consistent with our recruitment, but obviously the improvement in the business environment is reflected in the demand for talent," says Priti Rajora, Global Head of Talent Acquisition at Wipro. She says her company also looks for creative skills while selecting fresh recruits, apart from considering academic performance. "We look at how they fit in with the Wipro philosophy, and whether they have the ability to fit in different cultures," says Rajora.

A survey on attitudes towards campus recruitment by employment portal firstnaukri.com among 1,802 engineering students across the country, including both 2011 and 2012 batches from electronics, computer sciences, IT and electrical departments, showed that the brand image of the company was most important for them. Other factors that mattered were growth prospects, job profile, salary, job location and likelihood of international assignments – in that order.

The salary bands at top engineering campuses ranged from ₹3 lakh to ₹15 lakh per annum this year. Technology and IT firms were large recruiters – in terms of the sheer number of students. Facebook offered a whopping \$128,000 (₹57.6 lakh) per annum (including relocation charges) to a graduate from NIT Trichy, while Google made an equally promising offer of ₹20 lakh at IIT Roorkee. However, salaries offered by manufacturing companies were on average, higher than those by most other IT firms. Mining giant Rio Tinto made the highest offer of ₹28.50 lakh at IIT Roorkee, followed by oil major Schlumberger Asia at ₹20 lakh. Fast moving consumer goods firms also made good offers with HUL offering ₹16 lakh.

Clearly, Essar's Malia was not off the mark in his efforts. ♦



Honouring the super women
of Indian business

Dove



presents

business today

Most Powerful Women In Indian Business

August 30, 2011 ■ Mumbai

ITC Grand Central, Mumbai – A Luxury Collection Hotel

The **Business Today Most Powerful Women Awards**, presented by **Dove**, felicitates women of the highest calibre and talent for their excellence in business. Their achievements not only influence their organisations and industries but also inspire thousands of women to pursue their dreams.

Come and celebrate their remarkable accomplishments!

Chief Guest

Sara Mathew

Chair of the Board and CEO, Dun & Bradstreet

Powered by

Bloomberg | **UTV**
BLUNT AND SHARP.

Partners

SWAROVSKI ELEMENTS

Pinky
THE WOMEN'S MOST BEAUTIFUL EXPERIENCE

OOH Partner

BRIGHT
OUTDOOR MEDIA PVT. LTD.

Dove

business today

CORE SHOW IN ENGINEERING

IT, power and infrastructure firms dominated on the campuses

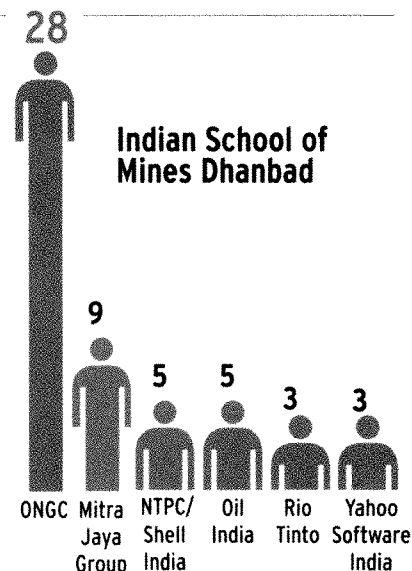
(Figures show number of students hired)

IIT Chennai

INTEL	30
Deloitte	28
Eaton	22
Reliance Industries	19
Cummins/IBM	16

NIT Warangal

HCL	36
Cognizant	33
Oracle/AFCONS	27
BHEL	26
Atos Origin	25



IIT BHU

BHEL	33
Tata Steel	25
NTPC	17
IOC/Power Grid	7
Oracle	6
Microsoft	4

MNNIT Allahabad

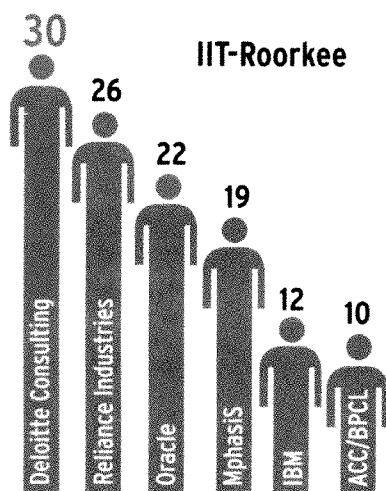
TCS	492
IBM India	107
Wipro Technologies	97
Cognizant	60
Larsen & Toubro	44
Essar Steel	26

IIT Guwahati

VIRTUSA	27
Oracle	25
BHEL/IBM-GBS	20
RIL	19
Deloitte	16



IIT-Roorkee



NIT Trichy

IOC	24
NTPC	15
ABB	7
Tata Steel	6
GE	4
Yahoo/Deshaw	2

Anna University

TCS	360
Accenture	117
IBM India	62
Wipro Technologies	56
BHEL	49
Hewlett Packard	40

PSG College of Technology, Coimbatore

TCS	492
IBM India	107
Wipro Technologies	97
Cognizant	60
Larsen & Toubro	44
Essar Steel	26

Source: BT Research

IIT: Indian Institute of Technology; NIT: National Institute of Technology; MNNIT: Motilal Nehru National Institute of Technology; BHEL: Bharat Heavy Electricals Ltd; BPCL: Bharat Petroleum Corporation Ltd; IOC: IndianOil Corporation; GE: General Electric; ONGC: Oil and Natural Gas Corporation; IBM-GBS: IBM Global Business Services

Subscribe to Business Today

Clinch the smartest deal in seconds!

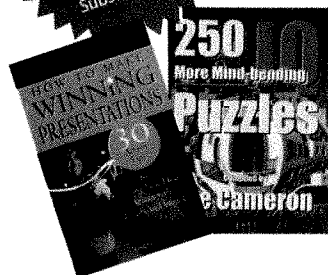
THE INDIA TODAY GROUP

FREE
with 3 years
Subscription: A stylish
Benetton watch
worth ₹ 2599/- !



business today
FOR MANAGING TOMORROW

Two think-smart
Collector's titles
Worth ₹ 350/-
FREE
with a 1-year
Subscription!



Term	No. of Issues	You Pay (₹)	Free Gifts
3 Years	78	2340	Stylish Benetton watch ₹ 2599/- Best Buy
1 Year	26	780	2 Think-Smart Collector's Titles - How to make winning presentations + 250 IQ Mind Bending Puzzles worth ₹ 350/-

Please fill in the form and send it back to us in the address mentioned below

Subscription Savings Form

Send form with payment to LIVING MEDIA INDIA LTD.,
A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

- ☐ 3 Years (78 Issues) : Pay ₹ 2340/- + Get Stylish Benetton Watch Worth ₹ 2599/- **Best Buy**
- ☐ 1 Year (26 Issues) : Pay ₹ 780/- + 2 Think-Smart Collector's Titles - How to make winning presentations + 250 IQ Mind Bending Puzzles worth ₹ 350/- FREE

Name..... Address.....

City.....

Postal Code..... Tel./Mobile..... E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ MasterCard ☐ American Express

Card No.....

Expiry..... Signature.....

Payment Enclosed: ☐ Cheque ☐ DD No..... (in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 10/-)

Subscription Terms & Conditions: Cover Price of BT is ₹ 30. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. Add Rs. 10/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are despatched. Terms & conditions apply.

To Subscribe - Email: wecarebo@intoday.com or Call Toll Free No.: 1800 1800 100 or (0120) 2479900

BT 4th Sep 11

start

fasten your seatbelts!

08:30 AM

WELCOME ADDRESS

Rockstart



SPEAKER

Aroon Purie

Editor in Chief,
The India Today Group

09.45 AM

INAUGURAL SESSION

Dreamcatchers



SPEAKER

Kumar Mangalam Birla

Chairman, Aditya Birla Group

MODERATOR

Aroon Purie, Editor in Chief,
The India Today Group

break

10.45 to 11.00
Coffee, tea
& rock

11.00 AM

KEYNOTE SESSION

Master Of The Game



SPEAKER

Anil Kumble*

Former Captain,
Indian Cricket Team

MODERATOR

Sharda Ugra

Senior Editor, Cricinfo



17th September, 2011
Le Meridien, New Delhi

PLUG INTO TH



break

03.15 to 03.30
Coffee, tea
& rock

03.30 PM

SESSION: TELEVISION

Keeping It Real



SPEAKER

Zarina Mehta

Co-founder, UTV

MODERATOR

Akash Banerjee

Senior Special Correspondent, Headlines Today

break

04.00 to 04.15
Coffee, tea
& rock

04.15 PM

KEYNOTE SESSION: POLITICS

Winds Of Change



SPEAKER

Omar Abdullah*

Chief Minister
Jammu and Kashmir

MODERATOR

MJ Akbar

Editorial Director,
The India Today Group



12.00 PM

LUNCH KEYNOTE SESSION

Hitting The Bull's Eye



SPEAKER

Chetan Bhagat

Author, Columnist & Motivational Speaker

MODERATOR

Rahul Kanwal

Executive Editor, Headlines Today

01.45 PM

SESSION: CAREERS

The Road Less Travelled

SPEAKERS



Subodh Gupta

Multi-medium artist



Kiran Rao

Writer-Director, *Dhobi Ghat*



Kalikesh Deo

Biju Janata Dal MP from Bolangir, Orissa



Divya Narendra

Created the site HarvardConnection which predates Facebook

MODERATOR

Rahul Kanwal

Executive Editor, Headlines Today



05.00 PM

SESSION: CINEMA

Larger Than Life



SPEAKER

Ranbir Kapoor

Actor & Youth Icon

MODERATOR

Koel Purie Rinchet

Actor & TV Anchor

05.45 PM

CLOSING REMARKS AND VOTE OF THANKS

Rock The Summit



SPEAKER

Kalli Purie

Summit Director

REGISTER NOW

EARLY BIRD OFFER:
RS. 1500 PER DELEGATE

Visit: www.indiatoday.in/youthsummit Twitter: [www.twitter.com/mymindrocks](https://twitter.com/mymindrocks)

Facebook: www.facebook.com/MindRocks Call: Saurav Parmar at +91 11 23357087, 23325235 Mail us: youthsummit@intoday.com

PRESENTING SPONSOR



PARTNERS

HOSPITALITY



TV



MEDIA



RADIO



ONLINE



YOUTH PARTNER



WRITING INSTRUMENT



YOUTH OUTREACH





Strategies for Learning from Failure

We are programmed at an early age to think that failure is bad. That belief prevents organisations from effectively learning from their missteps.

By **AMY C. EDMONDSON**

The wisdom of learning from failure is incontrovertible. Yet organisations that do it well are extraordinarily rare. This gap is not due to a lack of commitment to learning. Managers in the vast majority of enterprises that I have studied over the past 20 years – pharmaceutical, financial services, product design, telecommunications, and construction companies; hospitals; and NASA's space shuttle programme, among others – genuinely wanted to help their organisations learn from failures to improve future performance. In some cases they and their teams had devoted many hours to after-action reviews, post-mortems, and the like. But time after time I saw

that these painstaking efforts led to no real change. The reason: Those managers were thinking about failure the wrong way.

Most executives I've talked to believe that failure is bad (of course!). They also believe that learning from it is pretty straightforward: Ask people to reflect on what they did wrong and exhort them to avoid similar mistakes in the future – or, better yet, assign a team to review and write a report on what happened and then distribute it throughout the organisation.

These widely-held beliefs are misguided. First, failure is not always bad. In organisational life it is sometimes bad, sometimes inevitable, and sometimes even good. Second, learning from organisational failures is anything but straightforward. The attitudes and activities required to effectively detect and analyse failures are in short supply in most companies, and the need for context-specific learning strategies is underappreciated. Organisations need new and better ways to go beyond lessons that are superficial ("Procedures weren't followed") or self-serving ("The market just wasn't ready for our great new product"). That means jettisoning old cultural beliefs and stereotypical notions of success and embracing failure's lessons. Leaders can begin by understanding how the blame game gets in the way.

The Blame Game

Failure and fault are virtually inseparable in most households, organisations, and cultures. Every child learns at some point that admitting failure means taking the blame. That is why so few organisations have shifted to a culture of psychological safety in which the rewards of learning from failure can be fully realised.

Executives I've interviewed in organisations as different as hospitals and investment banks admit to being torn: How can they respond constructively to failures without giving rise to an anything-goes attitude? If people aren't blamed for failures, what will ensure that they try as hard as possible to do their best work?

This concern is based on a false dichotomy. In actuality, a culture that makes

it safe to admit and report on failure can – and in some organisational contexts *must* – coexist with high standards for performance. To understand why, see *A Spectrum of Reasons for Failure*, which lists causes ranging from deliberate deviation to thoughtful experimentation.

Which of these causes involve blame-worthy actions? Deliberate deviance, first on the list, obviously warrants blame. But inattention might not. If it results from a lack of effort, perhaps it's blameworthy. But if it results from fatigue near the end of an overly long shift, the manager who assigned the shift is more at fault than the employee. As we go down the list, it gets more and more difficult to find blame-worthy acts. In fact, a failure resulting from thoughtful experimentation that generates valuable information may actually be praiseworthy.

When I ask executives to consider this spectrum and then to estimate how many of the failures in their organisations are truly blameworthy, their answers are usually in single digits – perhaps two per cent to five per cent. But when I ask how many are *treated* as blameworthy, they say (after a pause or a laugh) 70 per cent to 90 per cent. The unfortunate consequence is that many failures go unreported and their lessons are lost.

Not All Failures Are Created Equal

A sophisticated understanding of failure's causes and contexts will help to avoid the blame game and institute an effective strategy for learning from failure. Although an infinite number of things can go wrong in organisations, mistakes fall into three broad categories: preventable, complexity-related, and intelligent.

Preventable failures in predictable operations. Most failures in this category can indeed be considered "bad". They usually involve deviations from spec in the closely defined processes of high-volume or routine operations in manufacturing and services. With proper training and support, employees can follow those processes consistently. When they don't,

A Spectrum of Reasons for Failure

BLAMEWORTHY
DEVIANCE
An individual chooses to violate a prescribed process or practice.

INATTENTION
An individual inadvertently deviates from specifications.

LACK OF ABILITY
An individual doesn't have the skills, conditions, or training to execute a job.

PROCESS INADEQUACY
A competent individual adheres to a prescribed but faulty or incomplete process.

TASK CHALLENGE
An individual faces a task too difficult to be executed reliably every time.

PROCESS COMPLEXITY
A process composed of many elements breaks down when it encounters novel interactions.

UNCERTAINTY
A lack of clarity about future events causes people to take seemingly reasonable actions that produce undesired results.

HYPOTHESIS TESTING
An experiment conducted to prove that an idea or a design will succeed fails.

EXPLORATORY TESTING
An experiment conducted to expand knowledge and investigate a possibility leads to an undesired result.

PRAISEWORTHY

Idea in Brief

The ingrained attitude that all failures are bad means organisations don't learn from them.

Leaders need to recognise that failures occur on a spectrum from blameworthy to praiseworthy, and that they fall into three categories:

Failures in routine or predictable operations, which can be prevented

Those in complex operations, which can't be avoided but can be managed so that they don't mushroom into catastrophes

Unwanted outcomes in, for example, research settings, which are valuable because they generate knowledge

Although learning from failures requires different strategies in different work settings, the goal should be to detect them early, analyse them deeply, and design experiments or pilot projects to produce them. But if the organisation is ultimately to succeed, employees must feel safe admitting to and reporting failures. Creating that environment takes strong leadership.

deviance, inattention, or lack of ability is usually the reason. But in such cases, the causes can be readily identified and solutions developed. Checklists (as in the Harvard surgeon Atul Gawande's recent best seller *The Checklist Manifesto*) are one solution. Another is the vaunted Toyota Production System, which builds continual learning from tiny failures (small process deviations) into its approach to improvement. As most students of operations know well, a team member on a Toyota assembly line who spots a problem or even a potential problem is encouraged to pull a rope called the andon cord, which immediately initiates a diagnostic and problem-solving process. Production continues unimpeded if the problem can be remedied in less than a minute. Otherwise, production is halted – despite the loss of revenue entailed – until the failure is understood and resolved.

Unavoidable failures in complex systems. A large number of organisational failures are due to the inherent uncertainty of work: A particular combination of needs, people, and problems may have never occurred before. Triaging patients in a hospital emergency room, responding to enemy actions on the battlefield, and running a fast-growing start-up all occur in unpredictable situations. And in complex organisations like aircraft carriers and nuclear power plants, system failure is a perpetual risk.

Although serious failures can be averted by following best practices for safety and risk management, including a thorough analysis of any such events that do occur, small process failures are inevitable. To consider them bad is not just a misunderstanding of how complex systems work; it is counterproductive. Avoiding consequential failures means rapidly identifying and correcting small failures. Most accidents in hospitals result from a series of small failures that went unnoticed and unfortunately lined up in just the wrong way.

Intelligent failures at the frontier. Failures in this category can rightly be considered “good”, because they provide valuable new knowledge that can help an organisation leap ahead of the competition and ensure its future

growth – which is why the Duke University professor of management Sim Sitkin calls them intelligent failures. They occur when experimentation is necessary: when answers are not knowable in advance because this exact situation hasn't been encountered before and perhaps never will be again. Discovering new drugs, creating a radically new business, designing an innovative product, and testing customer reactions in a brand-new market are tasks that require intelligent failures. “Trial and error” is a common term for the kind of experimentation needed in these settings, but it is a misnomer, because “error” implies that there was a “right” outcome in the first place. At the frontier, the right kind of experimentation produces good failures quickly. Managers who practice it can avoid the *unintelligent* failure of conducting experiments at a larger scale than necessary.

Leaders of the product design firm IDEO understood this when they launched a new innovation-strategy service. Rather than help clients design new products within their existing lines – a process IDEO had all but perfected – the service would help them create new lines that would take them in novel strategic directions. Knowing that it hadn't yet figured out how to deliver the service effectively, the company started a small project with a mattress company and didn't publicly announce the launch of a new business.

Although the project failed – the client did not change its product strategy – IDEO learned from it and figured out what had to be done differently. For instance, it hired team members with MBAs who could better help clients create new businesses and made some of the clients' managers part of the team. Today strategic innovation services account for more than a third of IDEO's revenues.

Tolerating unavoidable process failures in complex systems and intelligent failures at the frontiers of knowledge won't promote mediocrity. Indeed, tolerance is essential for any organisation that wishes to extract the knowledge such failures provide. But failure is still inherently emotionally charged; getting an organisation to accept it takes leadership.

Building a Learning Culture

Only leaders can create and reinforce a culture that counteracts the blame game and makes people feel both comfortable with and responsible for surfacing and learning from failures. They should insist that their organisations develop a clear understanding of what happened – not of “who did it” – when things go wrong. This requires consistently reporting failures, small and large; systematically analysing them; and proactively searching for opportunities to experiment.

Leaders should also send the right message about the nature of the work, such as reminding people in R&D, “We’re in the discovery business, and the faster we fail, the faster we’ll succeed.” I have found that managers often don’t understand or appreciate this subtle but crucial point. They also may approach failure in a way that is inappropriate for the context. For example, statistical process control, which uses data analysis to assess unwarranted variances, is not good for catching and correcting random invisible glitches such as software bugs. Nor does it help in the development of creative new products. Conversely, though great scientists intuitively adhere to IDEO’s slogan, “Fail often in order to succeed sooner,” it would hardly promote success in a manufacturing plant.

Often one context or one kind of work dominates the culture of an enterprise and shapes how it treats failure. For instance, automotive companies, with their predictable, high-volume operations, understandably tend to view failure as something that can and should be prevented. But most organisations engage in all three kinds of work discussed above – routine, complex, and frontier. Leaders must ensure that the right approach to learning from failure is applied in each. All organisations learn from failure through three essential activities: detection, analysis, and experimentation.

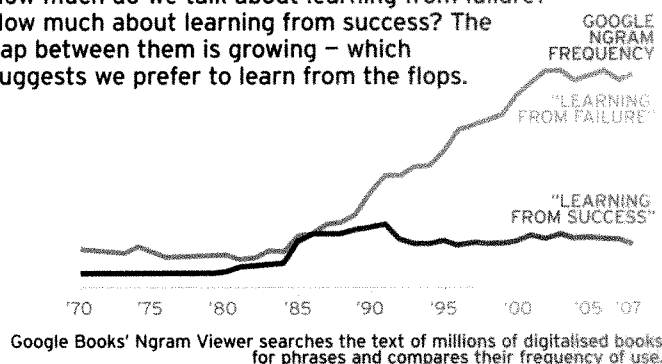
Detecting Failure

Spotting big, painful, expensive failures is easy. But in many organisations any failure that can be hidden is hidden as long as it’s unlikely to cause immediate or

FOCUS ON FAILURE

SCHOOL OF HARD KNOCKS

How much do we talk about learning from failure?
How much about learning from success? The gap between them is growing – which suggests we prefer to learn from the flops.



obvious harm. The goal should be to surface it early, before it has mushroomed into disaster.

Shortly after arriving from Boeing to take the reins at Ford, in September 2006, Alan Mulally instituted a new system for detecting failures. He asked managers to colour code their reports green for good, yellow for caution, or red for problems – a common management technique. According to a 2009 story in *Fortune*, at his first few meetings all the managers coded their operations green, to Mulally’s frustration. Reminding them that the company had lost several billion dollars the previous year, he asked straight out: “Isn’t anything *not* going well?” After one tentative yellow report was made about a serious product defect that would probably delay a launch, Mulally responded to the deathly silence that ensued with applause. After that, the weekly staff meetings were full of colour.

That story illustrates a pervasive and fundamental problem: Although many methods of surfacing current and pending failures exist, they are grossly underutilised. Total Quality Management and soliciting feedback from customers are well-known techniques for bringing to light failures in routine operations. High-reliability-organisation (HRO) practices help prevent catastrophic failures in complex systems like nuclear power plants through early detection. Electricité de

The slogan
“Fail often in
order to succeed
sooner”
would hardly
promote
success in a
manufacturing
plant

Designing Successful Failures

Perhaps unsurprisingly, pilot projects are usually designed to succeed rather than to produce intelligent failures – those that generate valuable information. To know if you've designed a genuinely useful pilot, consider whether your managers can answer yes to the following questions:

Is the pilot being tested under typical circumstances (rather than optimal conditions)?

Do the employees, customers, and resources represent the firm's real operating environment?

Is the goal of the pilot to learn as much as possible (rather than to demonstrate the value of the proposed offering)?

Is the goal of learning well understood by all employees and managers?

Is it clear that compensation and performance reviews are not based on a successful outcome for the pilot?

Were explicit changes made as a result of the pilot test?

France, which operates 58 nuclear power plants, has been an exemplar in this area: It goes beyond regulatory requirements and religiously tracks each plant for anything even slightly out of the ordinary, immediately investigates whatever turns up, and informs all its other plants of any anomalies.

Such methods are not more widely employed because all too many messengers – even the most senior executives – remain reluctant to convey bad news to bosses and colleagues. One senior executive I know in a large consumer products company had grave reservations about a takeover that was already in the works when he joined the management team. But, overly conscious of his newcomer status, he was silent during discussions in which all the other executives seemed enthusiastic about the plan. Many months later, when the takeover had clearly failed, the team gathered to review what had happened. Aided by a consultant, each executive considered what he or she might have done to contribute to the failure. The newcomer, openly apologetic about his past silence, explained that others' enthusiasm had made him unwilling to be "the skunk at the picnic."

In researching errors and other failures in hospitals, I discovered substantial differences across patient-care units in nurses' willingness to speak up about them. It turned out that the behaviour of midlevel managers – how they responded to failures and whether they encouraged open discussion of them, welcomed questions, and displayed humility and curiosity – was the cause. I have seen the same pattern in a wide range of organisations.

A horrific case in point, which I studied for more than two years, is the 2003 explosion of the *Columbia* space shuttle, which killed seven astronauts (see *Facing Ambiguous Threats*, by Michael A. Roberto, Richard M.J. Bohmer, and Amy C. Edmondson, *HBR*, November 2006). NASA managers spent some two weeks downplaying the seriousness of a piece of foam's having broken off the left side of the shuttle at launch. They rejected engineers' requests to resolve the ambiguity (which could have been done by having a satellite photograph of the shuttle or

asking the astronauts to conduct a space walk to inspect the area in question), and the major failure went largely undetected until its fatal consequences 16 days later. Ironically, a shared but unsubstantiated belief among programme managers that there was little they could do contributed to their inability to detect the failure. Post-event analyses suggested that they might indeed have taken fruitful action. But clearly leaders hadn't established the necessary culture, systems, and procedures.

One challenge is teaching people in an organisation when to declare defeat in an experimental course of action. The human tendency to hope for the best and try to avoid failure at all costs gets in the way, and organisational hierarchies exacerbate it. As a result, failing R&D projects are often kept going much longer than is scientifically rational or economically prudent. We throw good money after bad, praying that we'll pull a rabbit out of a hat. Intuition may tell engineers or scientists that a project has fatal flaws, but the formal decision to call it a failure may be delayed for months.

Again, the remedy – which does not necessarily involve much time and expense – is to reduce the stigma of failure. Eli Lilly has done this since the early 1990s by holding "failure parties" to honour intelligent, high-quality scientific experiments that fail to achieve the desired results. The parties don't cost much, and redeploying valuable resources – particularly scientists – to new projects earlier rather than later can save hundreds of thousands of dollars, not to mention kickstart potential new discoveries.

Analysing Failure

Once a failure has been detected, it's essential to go beyond the obvious and superficial reasons for it to understand the root causes. This requires the discipline – better yet, the enthusiasm – to use sophisticated analysis to ensure that the right lessons are learned and the right remedies are employed. The job of leaders is to see that their organisations don't just move on after a failure but stop to dig in and discover the wisdom contained in it.

Why is failure analysis often short-changed? Because examining our fail-

From personalized cuff links to rolled-up sleeves.

Watch corporate hotshots get pulled out of their comfort zone and take on challenges they've never tried before. Tune in to The Assignment, only on Bloomberg UTV.

NOKIA
&
Bloomberg | **UTV**
present

the assignment

SAT. 8:00 PM

NOKIA

Bloomberg | **UTV**

BLUNT. AND SHARP.

Official Website:

Print Partner:

B-School Partner:

Television
Partner:

Cafe Partner:

Retail Partner:

Cuisine Partner:

Online Partner:

Digital OOH
Partner:

Library Partner:

OUR MONEY SITE
www.yourmoneysite.com

THE WALL STREET JOURNAL
mint
PERSONAL FINANCE

XXIX

c onfluence
2011

bindass
WHAT I AM

BARISTA
LABATTA

vijay sales
THE HAT FOR ELECTRONICS

PRIME GRILL
RESTAURANT

msn

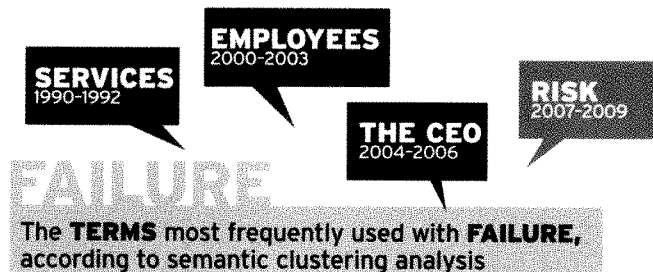
CSN
Cable News Network

STANLEY

FOCUS ON FAILURE

SEMANTICS

The word "failure" appears in HBR with regularity, but the context in which it is used has changed along with the times.



Source: Haydn Shaughnessy, Leximancer

ures in depth is emotionally unpleasant and can chip away at our self-esteem. Left to our own devices, most of us will speed through or avoid failure analysis altogether. Another reason is that analysing organisational failures requires inquiry and openness, patience, and a tolerance for causal ambiguity. Yet managers typically admire and are rewarded for decisiveness, efficiency, and action – not thoughtful reflection. That is why the right culture is so important.

The challenge is more than emotional; it's cognitive, too. Even without meaning to, we all favour evidence that supports our existing beliefs rather than alternative explanations. We also tend to downplay our responsibility and place undue blame on external or situational factors when we fail, only to do the reverse when assessing the failures of others – a psychological trap known as *fundamental attribution error*.

My research has shown that failure analysis is often limited and ineffective – even in complex organisations like hospitals, where human lives are at stake. Few hospitals systematically analyse medical errors or process flaws in order to capture failure's lessons. Recent research in North Carolina hospitals, published in November 2010 in the *New England Journal of Medicine*, found that despite a dozen years of heightened awareness that medical errors

result in thousands of deaths each year, hospitals have not become safer.

Fortunately, there are shining exceptions to this pattern, which continue to provide hope that organisational learning is possible. At Intermountain Healthcare, a system of 23 hospitals that serves Utah and southeastern Idaho, physicians' deviations from medical protocols are routinely analysed for opportunities to improve the protocols. Allowing deviations and sharing the data on whether they actually produce a better outcome encourages physicians to buy into this programme. (See *Fixing Health Care on the Front Lines*, by Richard M.J. Bohmer, *HBR*, April 2010.)

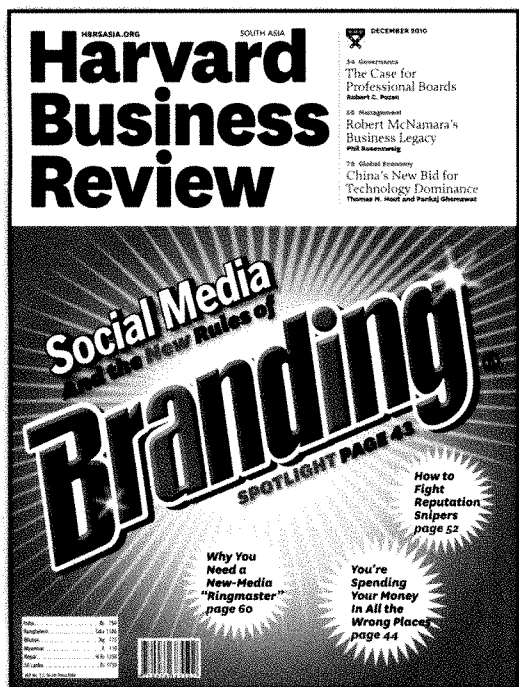
Motivating people to go beyond first-order reasons (procedures weren't followed) to understanding the second- and third-order reasons can be a major challenge. One way to do this is to use interdisciplinary teams with diverse skills and perspectives. Complex failures in particular are the result of multiple events that occurred in different departments or disciplines or at different levels of the organisation. Understanding what happened and how to prevent it from happening again requires detailed, team-based discussion and analysis.

A team of leading physicists, engineers, aviation experts, naval leaders, and even astronauts devoted months to an analysis of the *Columbia* disaster. They conclusively established not only the first-order cause – a piece of foam had hit the shuttle's leading edge during launch – but also second-order causes: A rigid hierarchy and schedule-obsessed culture at NASA made it especially difficult for engineers to speak up about anything but the most rock-solid concerns.

Promoting Experimentation

The third critical activity for effective learning is strategically producing failures – in the right places, at the right times – through systematic experimentation. Researchers in basic science know that although the experiments they conduct will occasionally result in a spectacular success, a large percentage of them will fail. How do these people get out of bed in the morning? First, they know that failure is not optional in their work; it's part of being at the leading edge of scientific dis-

INVEST IN YOURSELF!



SAVE
56% on
1 Year Subscription
+
Get 2 issues worth
₹1500 FREE!

Special Benefits:

1. More Timely Content.
2. Access over 2400+ archive articles with online access.
3. Free Delivery of HBR issues every month at your door.

SUBSCRIPTION FORM

YES! Please enroll my subscription to Harvard Business - Review South Asia for the term indicated below:

Premium access

☐ 1 year 12* issues + access to HBR archives online at ₹6500/- (Save 43%) + get 2 HBR-SA Issues FREE!

Print only

☐ 1 Year Print only 12* issues at ₹4000/- (Save 56%) + get 2 HBR-SA Issues FREE!

Name (Mr./Ms.) _____

Address _____

☐ Home ☐ Office

Post Code _____

Tel (H) _____ (O) _____ Fax _____

Email _____ ☐ New ☐ Renew _____

(please indicate your customer number)

Choose one:

☐ Charge my credit card: ☐ VISA ☐ MasterCard ☐ American Express
Card No. _____ Expiry _____ Signature _____

☐ Enclosed is my ☐ Cheque ☐ DD No. _____ (in favour of Living Media India Ltd. For non-Delhi cheques please add ₹10)

* Harvard Business Review is published monthly, except for the July/August double issue which counts as 2 issues.

Subscription Terms & Conditions: Harvard Business Review South Asia Cover price is ₹750/- *Savings are off the cover price *Special rates and offer valid in India for a limited period only *Allow 3-4 weeks for processing of your subscription *Do not send cash *Add ₹10/- for non-Delhi cheques *It will not be possible to entertain any cancellation once the free gift has been dispatched. *Superscribe your name and address on the reverse of the cheque/DD *All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only *HBR will not be responsible for any postal delays, transit losses or mutilation of the subscription form *By filling the subscription form, the subscriber understands and agrees to all the terms and conditions of the offer *Bonus issues refer to additional months subscription *Terms & conditions apply.



3 EASY WAYS TO CONTACT US



(0120) 2479945
Toll Free No.: 1800-1800-100



hbrcare@intoday.com



A-61, Sector-57,
NOIDA-201301 (U.P.)

Too often,
pilots are
conducted
under optimal
conditions
rather than
representative
ones. Thus
they can't
show what
won't work

covery. Second, far more than most of us, they understand that every failure conveys valuable information, and they're eager to get it before the competition does.

In contrast, managers in charge of piloting a new product or service – a classic example of experimentation in business – typically do whatever they can to make sure that the pilot is perfect right out of the starting gate. Ironically, this hunger to succeed can later inhibit the success of the official launch. Too often, managers in charge of pilots design optimal conditions rather than representative ones. Thus the pilot doesn't produce knowledge about what *won't* work.

In the very early days of DSL, a major telecommunications company I'll call Telco did a full-scale launch of that high-speed technology to consumer households in a major urban market. It was an unmitigated customer-service disaster. The company missed 75 per cent of its commitments and found itself confronted with a staggering 12,000 late orders. Customers were frustrated and upset, and service reps couldn't even begin to answer all their calls. Employee morale suffered. How could this happen to a leading company with high satisfaction ratings and a brand that had long stood for excellence?

A small and extremely successful suburban pilot had lulled Telco executives into a misguided confidence. The problem was that the pilot did not resemble real service conditions: It was staffed with unusually personable, expert service reps and took place in a community of educated, tech-savvy customers. But DSL was a brand-new technology and, unlike traditional telephony, had to interface with customers' highly variable home computers and technical skills. This added complexity to the service-delivery challenge in ways that Telco had not fully appreciated before the launch.

A more useful pilot at Telco would have tested the technology with limited support, and unsophisticated customers. It would have been designed to discover everything that could go wrong – instead of proving that under the best of conditions everything would go right. (See *Designing Successful Failures*.) Of course, the managers in charge would have to have under-

stood that they were going to be rewarded not for success but, rather, for producing intelligent failures as quickly as possible.

In short, exceptional organisations are those that go beyond detecting and analysing failures and try to generate intelligent ones for the express purpose of learning and innovating. It's not that managers in these organisations enjoy failure. But they recognise it as a necessary by-product of experimentation. They also realise that they don't have to do dramatic experiments with large budgets. Often a small pilot, a dry run of a new technique, or a simulation will suffice.

The courage to confront our own and others' imperfections is crucial to solving the apparent contradiction of wanting neither to discourage the reporting of problems nor to create an environment in which anything goes. This means that managers must ask employees to be brave and speak up – and must not respond by expressing anger or strong disapproval of what may at first appear to be incompetence. More often than we realise, complex systems are at work behind organisational failures, and their lessons and improvement opportunities are lost when conversation is stifled.

Savvy managers understand the risks of unbridled toughness. They know that their ability to find out about and help resolve problems depends on their ability to learn about them. But most managers I've encountered in my research and consulting work are far more sensitive to a different risk – that an understanding response to failures will simply create a lax work environment in which mistakes multiply.

This common worry should be replaced by a new paradigm – one that recognises the inevitability of failure in today's complex work organisations. Those that catch, correct, and learn from failure before others do will succeed. Those that wallow in the blame game will not. ♦

Amy C. Edmondson is the Novartis Professor of Leadership and Management and co-head of the Technology and Operations Management unit at Harvard Business School. This article was published in Harvard Business Review, April 2011. All rights reserved.

LAL BAHADUR SHASTRI INSTITUTE OF MANAGEMENT CENTRE OF EXCELLENCE IN MANAGEMENT AND IT EDUCATION

Lal Bahadur Shastri Institute of Management, Delhi, is a premier and dynamic institute in management and information technology education. It was established by the Lal Bahadur Shastri Educational Trust in Delhi. Over the years it has emerged as one of the premier institutes in the country imparting affordable value based management and technology education. It has widespread support of the corporate world both at national and international levels. Developing professionals with humane, pragmatic and team approach is the major aim of the institute. The Institute has been consistently ranked among the top Business Schools in the country. The campus of the institute in Dwarka is located next to Sector-11 Delhi Metro line and can thus be reached with ease by students living anywhere in Delhi NCR. Excellent arrangements have been made in the sub city of Dwarka itself for provision of boarding, lodging and other facilities for students desirous of residing near the campus. The campus offers class infrastructural facilities with a library, which compares well with the best business schools in the country.

LBSIM is recognized by All India Council for Technical Education (AICTE), Ministry of Human Resource Development, Government of India for:

- Post Graduate Diploma in Management (Approved by AICTE),
- Two Year Full-Time Post Graduate Diploma in Management-Finance (Approved by AICTE)
- Three year Post Graduate Diploma in Management (Part-time) for Working Executives (Approved by AICTE)
- Fifteen Months Full-Time Post-Graduate Diploma in Management for Executives (Approved by AICTE)
- Three Year Full-Time Programme in Master of Computer Applications (Affiliated to GGS Indraprastha University, Delhi and approved by AICTE).
- NSE Certified Capital Market Professional Programme

LBSIM is also accredited in the year 2007 by the National Board of Accreditation (NBA) for its PGDM programme.

BABU BANARSI DAS INSTITUTE OF TECHNOLOGY ONE OF INDIA'S FASTEST DEVELOPING PRIVATE INSTITUTES OF TECHNOLOGY

This institute was established in the year 2000, under the aegis of Rajiv Educational Trust, with a vision and avowed objective to provide contemporary and quality education in the areas of Engineering, Management and IT. The Institute is affiliated to U.P. Technical University, Lucknow and is recognized by the A.I.C.T.E., (HRD) Govt. of India, New Delhi, and the U.P. Govt. and is professionally affiliated to IETE (Institution of Electronics and Telecommunication Engineers, India), IEI (Institution of Engineers, India) & CSI (Computer Society of India). The institute has also entered into a collaborative programme for Masters programmes in Engineering branches and Business Administration (MBA) with Gannon University, Pennsylvania, USA, to offer International Quality education in Engineering, Computer and Information Science and Management disciplines. The Institute has a galaxy of visiting faculties drawn from Institutes like DCE, IIT (Delhi), Jamia Millia and other prestigious colleges, who are invited to deliver lectures on specialized topics in high tech areas. The Institute has a fully computerized air-conditioned Professional Communication Lab. The BBDIT Training and Placement cell, provides its students with the best avenues to utilize their skills by helping them find gainful employment with the best of the engineering firms. In addition to this, the institute also has an Alumni Network which allows interaction between the alma mater and the students pursuing the common goal of a successful career.



I ARPIT AGARWAL
Executive Director

For more information please visit: <http://www.bbdit.edu.in>



LAL BAHADUR SHASTRI INSTITUTE OF MANAGEMENT, DELHI

ANNOUNCES ADMISSION TO AICTE APPROVED

1. Two Year Full-Time Post Graduate Diploma in Management 2012-2014
2. Two Year Full-Time Post Graduate Diploma in Management - Finance 2012-2014

Ranked 11th in Finance Area by ET B-Schools Survey 2011- Recruiters' Preference

ELIGIBILITY Atleast a three year bachelor's degree or equivalent in any discipline recognised by AICTE. Students appearing for the final examination in 2012 can also apply.

ADMISSION PROCEDURE

- LBSIM applicants to appear in the Common Admission Test (CAT) of IIMs.
- Candidates are also required to register at LBSIM, Delhi through application form available with Admission Coordinator*, LBSIM, Plot No.11/7, Sector-11, Dwarka, New Delhi from 25.08.2011 to 27.11.2011 on all working days from 9:30 AM to 6:00 PM on payment of Rs.1600/- in cash or DD in favour of Lal Bahadur Shastri Institute of Management payable at New Delhi (Add Rs. 75/- for getting the form by post in India and Rs. 200/- abroad).
- The forms are also available at selected branches of IMS Learning Resources.
- Application Form can also be downloaded from the Institute's website: www.lbsim.ac.in & submitted alongwith a DD for Rs.1675/- (Rs.1800/- abroad) in favour of Lal Bahadur Shastri Institute of Management, payable at New Delhi.
- GD/PI at Delhi, Hyderabad, Kolkata, Mumbai and Bengaluru.

- The Institute uses CAT Scores for short-listing the candidates; IIMs have no role either in the selection process or in the conduct of the programme.

PARTICIPATIVE PLACEMENT Students' driven Placement Cell maintains close liaison with potential employers. The batch of 2009-2011 students have been placed in reputed Indian and Foreign companies. Full details in information brochure.

ACCOMMODATION Separate Hostel is available for both boys and girls. LBSIM also facilitates education loans from Banks.

IMPORTANT DATES

Issue of LBSIM Application Form
Starts : 25.08.2011 & Ends 27.11.2011

Last date for submission of completed LBSIM
Application Form: 27.11.2011

Dates of Common Admission Test (CAT) :
22.10.2011 to 18.11.2011

APPLY TO * Admission Coordinator, Lal Bahadur Shastri Institute of Management

Plot No.11/7, Sector-11, Dwarka, New Delhi-110075 | Ph.: 011-25307700 (100 Lines)

E-mail: admission@lbsim.ac.in | Website: www.lbsim.ac.in

Director



INTALKWITH

DR H. CHATURVEDI
DIRECTOR (BIMTECH)

Birla Institute of Management Technology (BIMTECH), Greater Noida belonging to B.K. Birla Group, has been one of the fastest growing private Sector B-Schools of India. Director, Dr H Chaturvedi shares his vision and future goals for the institute.

Why are Indian B-Schools unable to compete globally?

Indian education system, being a replica of UK placed emphasis more on teaching than research. The present global ranking methodologies have certain variables which are missed out by the Indian business schools, even by IIMs.

Only 23% or so MBAs are employable by the corporate sector according to Meritrack Survey. What should be done to improve this dismal quality scenario of management education in India?

The main reason for poor employability of Indian MBAs is the poor linkages between industry and B-Schools. Let industry bodies like CII, FICCI, ASSOCHAM and regulations like AICTE and UGC

should form a national forum for this purpose. The message should go that producing good quality MBAs is the joint responsibility of both industry and B-Schools.

The 'MBA degree has lost its shine worldwide'. Do you agree with this proposition?

Ans.: I am of the view that it is not the degree which is gaining or losing its importance; it is the institutions which determine the fate of the participants of a particular degree.

Do you think sectoral MBAs have any future in India?

Yes, I think future lies in the domain knowledge specialization. Our economy is growing very fast and it demands specific skills and knowledge set on the functional and leadership positions.

BIMTECH has been one of the fastest growing Private Sector B-School in India. What is propelling this spectacular growth of your institute?

Our entry to the sectoral programmes, continuous improvements in the quality of infrastructure and academia every year, increasing faculty strength and providing faculty a free and developing environment has put us giving high returns of growth



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

GUIDANCE NOTE ON NON FINANCIAL DISCLOSURES RELEASED AT THE NATIONAL SEMINAR ON XBRL



Mr. D. K. MITTAL
VICE-PRESIDENT

Mr. D. K. Mittal, Secretary, Ministry of Corporate Affairs, Government of India inaugurated National Seminar on XBRL - 'An Emerging Professional Opportunity' organised by the Institute of Company Secretaries of India at Hotel Le-Meridien, New Delhi recently.

Mr. D K Mittal, complimented ICSI for holding this Seminar on XBRL. He said "that since the government has brought out this change, it is the responsibility of the Government to explain the change.

Business environment has undergone a sea change and Corporate Governance has also undergone a sea change. MCA 21 has unable to file report in electronic mode as businesses are multicommodity and multidimension. We the regulators need to know what is happening and an environment has to be created there every information is available and XBRL is a solution to this."

Mr. Nesar Ahmad, Vice President, ICSI informed that XBRL stands for eXtensible Business Reporting Language and it is a language for the electronic communication of business and financial data which is revolutionising business reporting around the world. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. It is one of a family of "XML" languages which

is becoming a standard means of communicating information between businesses and on the internet.

Mr. Sanjay Grover, Council Member ICSI and Programme Director observed that "XBRL provides a more cost effective and reliable platform for information transfer, in which data is instantly accessible and re-usable across the corporate reporting supply chain — between businesses and regulators, among regulators and between regulators and their audiences in government, the markets and industry.

Mr. N K Jain, Secretary & Chief Executive Officer of the ICSI in his concluding remarks opined that "in response to changing expectations of stakeholders towards transparency and good governance a new information management environment is continually emerging. This expects the businesses optimum information transparency, especially in financial reporting. New standards of financial reporting like extensible Business Reporting Language (XBRL) for formatting financial data and structuring financial reports, are sweeping the globe. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, efficiency and reliability to all those involved in supply or use of financial data."

Earlier, Mr. Ranjeet Pandey, Chairman NIRC of the ICSI & Programme Coordinator was also present on the occasion.



Mr. N K JAIN
SECRETARY & CEO



FORTUNE INSTITUTE OF INTERNATIONAL BUSINESS SUSTAINABLE BUSINESS EDUCATION FOR EVERY GENERATION

In a short span of 15 years, FIIB has carved a niche in the corporate & academic circles for its innovative approach to MBA education, and is ranked high amongst the top management institutions in India. A highly collaborative culture, combined with a small student body creates a vigorous intellectual environment and compelling learning experience. Accreditation by the National Board of Accreditation (NBA), recognition of the PGDM by All India Council of Technical Education (AICTE), ranked among the best B-schools in India, awards by major business school academies, are a further testimony to the quality education being imparted at FIIB.

THE FIIB ADVANTAGE

- **A GLOBAL MBA** – First private sector institute in India to offer a unique MBA curriculum that provides an international business perspective across all functional majors.
- **A FUTURISTIC CURRICULUM** – That focuses on the student's all-round development through innovative approaches unique seminar courses on contemporary topics, life-skills coaching and mentoring.
- **INDUSTRY LINKED** – FIIB is focused on building extensive connections to the business community through its supervised consulting opportunities for students, interactive seminars, weekly CEO lectures, etc. to enhance the education experience of future business leaders.
- **INTERNATIONAL NETWORKS** – Strategic collaborations with renowned international management institutions and councils for student and faculty exchange, joint research and consultancy.
- **SUPERB LOCATION** – Located in South Delhi, the FIIB campus boasts of the best in-class modern facilities.
- **OUTSTANDING FACULTY** – FIIB's core faculty comprises of award-winning individuals from renowned institutions such as the IIMs, FMS, and IITs with extensive industry experience

INTALKWITH

POONAM SHARMA

GROUP DIRECTOR (Accurate Group of Institutions)

Why is it necessary for incorporating cutting edge knowledge and greater customization in a curriculum?

India the 4th largest economy of the world, the country needs highly qualified managers to manage the highly competitive business enterprises. However, Indian business schools lack widely in terms of quality of Faculty, market-driven curriculum, good infrastructure and placement. The mushrooming of the B-Schools sans quality has added only the numbers without churning out any strategic leaders who can leverage the pace of sustainable development. Therefore, it is important for good customization and cutting edge knowledge to be incorporated in a curriculum.

What change should be made as per what to focus on and what to deliver and how to synchronise with rapidly changing situation?

The real challenge with B-Schools lies in lack of soft skill though students are comfortable at their domain knowledge. Training in soft skill becomes the added responsibility of the B-Schools. The Management schools focus on this aspect which will enhance employability matrix and be useful for the employers. Increased interface/interaction with corporate/industries can broaden the outlook of students.

How to instill qualities of leadership through better emotional quotient?

Along with enabling the students for securing the right job, entrepreneurship development, motivation and fostering an incubation centre at the Management Institutes should be encouraged. Such move will help them go for self employment thereby widening more scope for employment generation and inclusive growth. For development of leadership qualities Accurate Business School is the best choice to get the right education and to become a corporate doyen. It is an institution with the perfect blend of quality education, faculty, research, personality development, practical exposure (nationally & internationally) and of course opportunities in the corporate world.

For more information please visit: <http://www.accurate.in>



LAST BUT NOT LEAST

BT DRIVE **156** EXECUTIVE HEALTH **160** PEOPLEBUSINESS **166**



PHOTOGRAPHS BY SHEKHAR GHOSH

Costly fare: A *joda ilish*, or a Hilsa pair, is supposed to bring prosperity to the family

The Hilsa Index

High prices this year break the hearts of Bengalis, says Chandan Banerjee

State governments rarely bother about national priorities such as exports and imports. Except when the commodity is the hilsa fish, the state is West Bengal and the people concerned are Bengalis. Shortly after the Trinamool Congress came to power this year, the state's Commerce and Industries Minister Partha Chatterjee announced he would request neighbouring Bangladesh to lower the export price of its hilsa. The soaring price of the fish had cast a cloud over the Trinamool's talk of good governance.

Chatterjee's leader, Chief Minister Mamata Banerjee, while negotiating a cash bailout for the bankrupt state government she inherited from the Left Front, did not forget to slip in a word about the hilsa to Prime Minister Manmohan Singh. Could the Prime Minister please talk to the Bangladesh government and get it to lower the export price?

Overfishing and other factors like pollution have reduced the catch on the Indian side of the border and the price of the fish has soared to a band of ₹600 to ₹1,500 a kg this monsoon, more than double last year's levels. The price depends on the size – the larger ones are tastier and thus costlier. The shortfall is bridged by imports from Bangladesh, whose government has done better at protecting what is one of its prime export items.

The passion for the bony fish in West Bengal has increased since Partition and the 1971 war when millions of Bengali Hindus, the *Bangals*, had to leave what was then East Pakistan, where the best hilsa is still found, and cross over to India. Though West Bengal is the largest producer of freshwater fish in the country, and has a wide variety of them, the hilsa rules the heart of most Bengalis. But when the price of a decent-size fish crosses ₹1,000 a kg, as it did this season, it can also break hearts.

The hilsa or *Tenualosa ilisha* is found in most perennial rivers in Asia that empty into the region's seas, from Iraq in the West to Myanmar in the East. Species can differ, and so can the taste. Much like the salmon of North America, the hilsa, or *ilish* in Bengali, enters the river from the sea to swim upstream for hundreds of kilo-

metres and spawn. Then it returns to its salty abode. Hilsa from the sea is tasteless; in the river it is delicious. One possible trigger for the transformation in taste: during the monsoon, the swollen Hooghly river carries plenty of detritus – goodies for the fish – into the ocean and the hilsa gorges on this in preparation for its marathon round trip from sea to river and back again.

Before the Farakka barrage was built on the Ganga in north Bengal, the hilsa used to be spotted as far upstream as Allahabad. Today, it is rare to find it even at Kolaghat near Kolkata.

Sandipan Chakraborty, a hard-core *Bangal*, says there was a time when the *ilish* would be on his menu every other day. Nowadays, he eats it two days a week at best. "The pleasure lies not only in having *ilish* yourself, but in treating others. Today, it is difficult to afford the second," says Chakraborty, Managing Director of Tata Steel Processing and Distribution, the new identity of Tata Ryerson. "The best *ilish* are the ones that weigh 1.5 kg to 2 kg apiece, but these cost over ₹1,000 a kg and you have to place an order in advance."

Chakraborty recalls how, during his childhood, his family would fuss about buying "joda *ilish*" or a hilsa pair, and getting them "married" in an elaborate ceremony, before they were cooked. The hilsa is not sliced up and sold in parts, unlike say the rohu, because its tail and head – unlike that of many other fishes – are not in demand. Those who cannot afford the big fish buy the smaller ones weighing less than 500 gm apiece and it is overfishing of this size that has sent stocks dwindling.

Kalyan Majumdar, Secretary of the East Bengal Club, whose supporters are traditionally *Bangals*, says the high price has taken away whatever nostalgia was left for it. "We

Delicacy: Bhaskar Dasgupta, Chef-in-Charge of Oh! Calcutta in Delhi, holds a plate of Hilsa Pulao



Bhapa
(steamed)
Hilsa


don't wait eagerly for a piece

of *ilish* during the monsoon any more. The reason is nothing but the cost," he says. There was a time when East Bengal football supporters would celebrate the team's victory by buying the fish.

Mani Shankar Mukherjee, the renowned Bengali novelist who writes under the pseudonym Shankar, says the Bengali craze for hilsa is not reflected proportionately in Bengali literature. But there is folklore. There is one story about Swami Vivekananda, he says, travelling down the Padma river in 1899. A fisherman offered him 16 hilsas – presumably the large ones – for ₹1, adding four more free. Vivekananda then stepped ashore to look for *pui sang*, a type of green, together with which he would cook the *ilish* dish. A villager had *pui* at home, but wanted to be accepted as Vivekananda's disciple in return for parting with it. Swamiji agreed. All for the hilsa.

High prices have not deterred chefs of fancy restaurants from letting their imaginations soar. When they run out of mustard recipes, they even try hilsa biryani. While anathema to purists, a hilsa biryani can be an entry point to those otherwise scared of the bones, as the hilsa pieces are picked free of bones before being cooked along with the rice.

Mukherjee says the hilsa has 10,000 bones, and this has prevented Western menus from appropriating it the way prawns have been.

The Oh! Calcutta restaurant chain, as the flag-

bearer of Bengali cuisine, cannot do without the annual hilsa festival. Indranil Palit, Chief Operating Officer, says it tries to catch the season early, but after prices stabilise. "This year, the price was very high when the season started in June, at ₹650 a kg for a 800-gm fish," says Palit. "The hilsa vanished for some time shortly after we launched our festival." Luckily, Oh! Calcutta had enough stocks to continue.

Earlier, it was a taboo to consume *ilish* during October to February – from *Dashami* (Dussehra) to Saraswati Puja – when the hilsa eggs hatch and return to the sea. Globalisation has done away with the idea of seasonal foods, it also means that the hilsa can reach Bengalis across the world. Sudip Chatterjee, who has been living in Dubai for the past six years, says he gets the fresh ones weighing between one to 1.5 kg at 55 dirhams (₹675) per kg, and the smaller frozen ones at 30 to 65 dirhams a kg. "But even in Dubai the hilsa is priced way above other fish such as the rohu which costs 12 to 20 dirhams a kg. The frozen *ilish* is the tastiest," he says.

The *ilish* has even reached Tokyo – and not as sushi. "Recently I had some *ilish paturi* (*ilish* steamed in banana leaf) in Tokyo," says Chakraborty. "Out of the world!"

The West Bengal government continues to make noises. Madan Mitra, Minister for Sports and Fisheries, promises his party will provide cheap *ilish*. "We have schemes to bring the prices down," he says, but offers no details. So far, the magic has not worked. ♦

ADDITIONAL REPORTING BY
SOMNATH DASGUPTA

Hilsa Pulao



Hilsa Bhaja



Lonka (chili) Bhapa Hilsa



Anarosh (pineapple) Hilsa


 Kumro Pata Aam
Achar (pumpkin
leaf and mango
pickle) Hilsa




VAN HEUSEN INDIA MENS WEEK

India's leading menswear designers to showcase
their 2011 -12 collection at the 3rd edition

Van Heusen India Mens Week 2011
September 2 - 4, 2011 The Grand, New Delhi

4th dedicated menswear event in the world

Title Sponsor

VAN HEUSEN

Good Times Partner



Official Media Partner

Men'sHealth

Official Partner



Official Partner



For more information log on to www.fdc.org

Fashion Design Council of India, JMD Regent Plaza, 4th Floor, DLF Phase 1, MG Road, Gurgaon, Haryana, 122001
contact@fdc.org

Swift Change, Buzz Intact

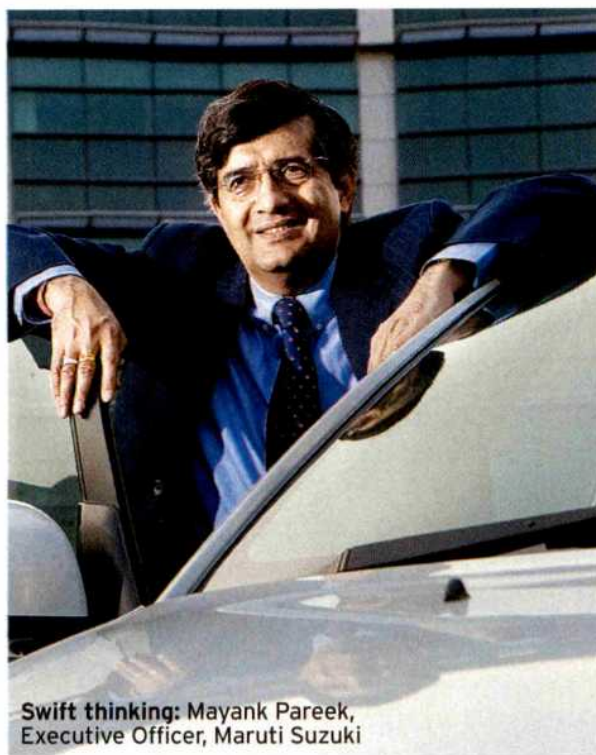
Maruti transferred the Swift waitlist from the old product to the new, says **Kushan Mitra**

In mid-2005, when the first Swifts were rolling off the assembly line, BT visited Maruti Suzuki's Gurgaon factory. A visibly happy Jagdish Khattar, then Managing Director of the company, said confidently that his marketing team would sell around 5,000 Swifts a month as soon as production stabilised. Three months later, there was Khattar's signature on an advertisement issued by Maruti Suzuki, apologising for the company's inability to produce enough Swifts to meet the demand. Currently, Maruti manufactures 10,000 to 12,000 Swifts a month, but there is still a shortfall. From the beginning, the demand for Swift has far outstripped supply.

Fast forward six years. Maruti is now phasing out the old Swift for a newer version. "From the day the Swift was launched till its last day, there was a long waiting list for both the petrol and diesel models," says Mayank Pareek, Executive Officer, Marketing and Sales, Maruti Suzuki. The company has sold over 600,000 Swifts in India so far.

And as it readies to launch the all-new Swift in September, it will start 38,000 waiting buyers – over three months' production at current levels.

The waiting list is the result of an innovative marketing step. In mid-June, as its plans for the new Swift launch firmed up, Maruti asked its dealers to send emails to all those on the waiting list for the old Swift. They were asked



Swift thinking: Mayank Pareek, Executive Officer, Maruti Suzuki

if they would prefer buying the new product, which would cost a bit more. Half the current list of 38,000, Pareek says, comprises people who had booked the old Swift, but preferred to shift.

The Swift was not the first premium hatchback on Indian roads; that was the Hyundai Getz – not a great success, though. But it was the catalyst that sparked an explosion of demand in the segment. Despite this demand, there are primarily only two major products in the segment – the Swift and the Hyundai i20. Add bits and bobs from other manufacturers and sales in the premium hatchback segment

are around 22,000 cars every month, or about 16 per cent of the overall automotive market.

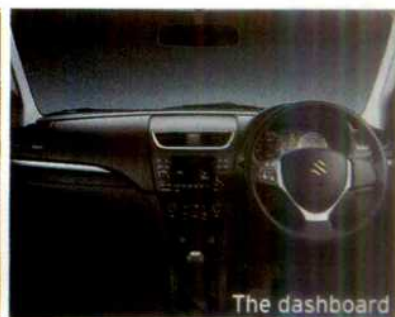
Yet, in an increasingly crowded market, and one in which interest rates are also rising, can Maruti keep up the buzz around Swift? "Swift had proven itself. The new Swift will give buyers a whole new set of features to keep it at the top of the premium hatchback segment," says Shashank Srivastava, Chief General Manager, Maruti Suzuki. But the company is taking no chances. Once its second production line at Manesar comes on stream by September, it will raise the new Swift's production to 18,000 every month.

Will the new Swift sustain the success of the old one? Only a brave man would bet against it. ♦

SAPTARSHI BISWAS/www.indiatodayimages.com



The Inside Story: Interiors of the new Swift



The dashboard

The New Avatar

The first thing you notice about the new Swift is that it does not look very different from the old one. This is not like the facelift Maruti gave its classic Zen. The designers wanted to keep the 'feel' of the old Swift, says Maruti. The headlights and taillights are, however, much bigger and bolder than in the earlier version. One feature that catches the eye, at least on the top-specified petrol ZXi and the new diesel ZDi variant, is the smart new alloy wheels.

The new Swift rides a new platform that has a longer wheelbase and is a bit wider – though still narrower than the Hyundai i20 – improving seating comfort and providing

more legroom for passengers in the rear seat. The rear suspension has been changed, which makes for an improved ride and much better handling on sharp turns. Lastly, the petrol engine has been given variable valve timing, which provides it a slightly improved throttle re-

sponse and a moderate four per cent improvement in fuel economy, claims Maruti.

There are also changes inside. The added length and width are perceptible; even though the car has just a 50-mm extended wheelbase, rear-seat legroom feels much better. But the big change is in the design of the central console and the instrument cluster, which seems to have been inspired by some competing products. The instrument cluster will now have an information display – a standard across all variants. On the downside, the small rear windows of the old version remain. On this front, the new Swift does lose out a bit to competition.

All said, it remains an extremely exciting car. It is fun on the sharp turns. In terms of speed, it is all right. In any case, small cars in India are geared for economy rather than speed. Prices are expected to be ₹15,000 to ₹30,000 higher than the existing variants, which would make the anti-lock braking and the dual front airbag-equipped ZXi model cost around ₹560,000 to ₹570,000. ♦

SPECIFICATIONS

LONGER BODY: 3850mm (+90mm)

LONGER WHEELBASE: 2430mm (+50mm)

BETTER ECONOMY: Petrol 18.6 km per litre (+4 per cent); Diesel 22.9 km per litre (+6 per cent)

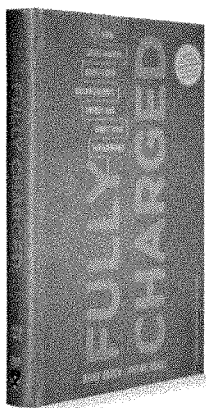
MORE EXPENSIVE: Expected to be ₹15,000-30,000 more expensive than existing variants

LONG WAITING LIST: If you order a new Swift now, delivery will be in October at the earliest.



How to Improve Corporate Performance

Bernd Vogel talks to N. Madhavan about new ways of harnessing organisational energy



Fully Charged: How Great Leaders Boost Their Organization's Energy and Ignite High Performance

By Heike Bruch and Bernd Vogel
Harvard Business Review Press
Pages: 272
Price: ₹995

“... Most leaders know how to unleash energy, but few know how to systematically sustain it”

Most CEOs have a good idea of the energy level in their organisations. But they cannot really measure it or interpret it effectively. It took **BERND VOGEL**, Associate Professor of Leadership and Organisational Behaviour, Henley Business School, University of Reading, UK, and **HEIKE BRUCH**, Professor of Leadership, University of St. Gallen, Switzerland, 10 years to devise a means of doing just that, which they explain in their book *Fully Charged*. In an interview, Vogel discusses the issues raised in the book. Edited excerpts:

Is it the ability to create organisational energy that differentiates a successful company from a not-so-successful one...

Yes. Organisational energy directly affects the performance of companies. When companies make use of their full potential to pursue their goals with high levels of passion, mental agility and effort, they are significantly more innovative, generate more customer passion and grow quicker. Also, when employee potential is left to languish because of poor use of organisational energy, revenues are lost and over time an organisation's viability is threatened.

You have also questioned the existing appraisal system, asking executives not to focus solely on motivating individual employees...

Exactly. Most rewards today look at the individual. But businesses work as a collective. It is not individuals who make the

difference, though many people would like to believe that. Executives must go beyond thinking only of the individual. By focusing on individual's energy they risk missing out on the totality of the human forces they have at their discretion. A company's collective dynamic force is much stronger than the sum of individual forces or motivations.

What are the various forms of energy?

Our research has thrown up four distinct energy states. Productive energy is characterised by high enthusiasm, excitement, a 'can do' mentality, alertness in looking out for opportunities, and doing so collectively. Comfortable energy is when employees are more relaxed, satisfied with what they are doing, and not questioning the processes. We also found there is huge negative energy in organisations. Teams that are detached and do what they are asked to do, work nine to five typically and are in a state of resigned inertia. And the most worrying is corrosive energy when people are highly intensive and engaged but towards their own goals or agendas. They hinder change. Cynicism, conflicts, frustration and aggressiveness are rampant.

You say all forms of energy coexist in an organisation. If so, what is the ideal mix?

An ideal mix is where productive energy is dominant. We will always have a certain level of comfortable energy in every



H. K. RAJASHEKAR/www.indiatodayimages.com

"A company's collective dynamic force is much stronger than the sum of individual forces or motivations"

Bernd Vogel, Associate Professor, Henley Business School, University of Reading, UK

organisation. People tend to get satisfied, especially in companies which have been successful over a long time. There will be pockets of negative energy, too. The question is the level. There is no friction-free organisation.

How can a leader trigger productive energy in a company?

A challenge or opportunity can be used as a trigger to kick-start productive energy. An existing threat or a potential threat can be used to galvanise the people in the company. We call this "slaying the dragon". The challenges could be a market breakdown, takeover bid or a technology threat, to name a few. The other option is identifying an

opportunity to lift or mobilise an organisation. We call this "winning the princess". Opportunities can be entering new markets, launching a new technology, etc. What we need to keep in mind, however, is that these strategies work only if they are clearly defined, communicated and made relevant to everyone in the organisation.

Even highly successful companies frequently become complacent and lose their way....

This is because most leaders know how to unleash energy, but few know how to systematically sustain it. Leadership activities designed to increase your organisations' produc-

tive energy and make it the market leader are fundamentally different from those needed to have your company stay on as number one. As a leader you need to establish and build a strong management system for sustaining productive energy and building a network of batteries throughout the company. Rather than relying on a few individuals who identify the challenges or opportunities and energise the rest of the organisation from the top, it is better to build systems with many batteries. Ideally, what we need is a working environment where people are constantly stimulated, encouraged and asked to challenge the status quo. ♦

Seeking Balance

Avoid any diet that guarantees weight loss, says Anumeha Chaturvedi

Three years ago, Jyoti Arora, a Team Leader in the Department of Nutrition and Dietetics at Artemis Health Institute, Gurgaon, was searching for quick weight loss remedies. Not for her patients, but for herself. "I was on steroids for a skin ailment and had put on 10 kg. Exercising was not an option because of a leg injury," she recalls. She chanced upon a diet plan which was a rage then – the General Motors, or GM, diet. "A colleague who was on this diet recommended it," she says.

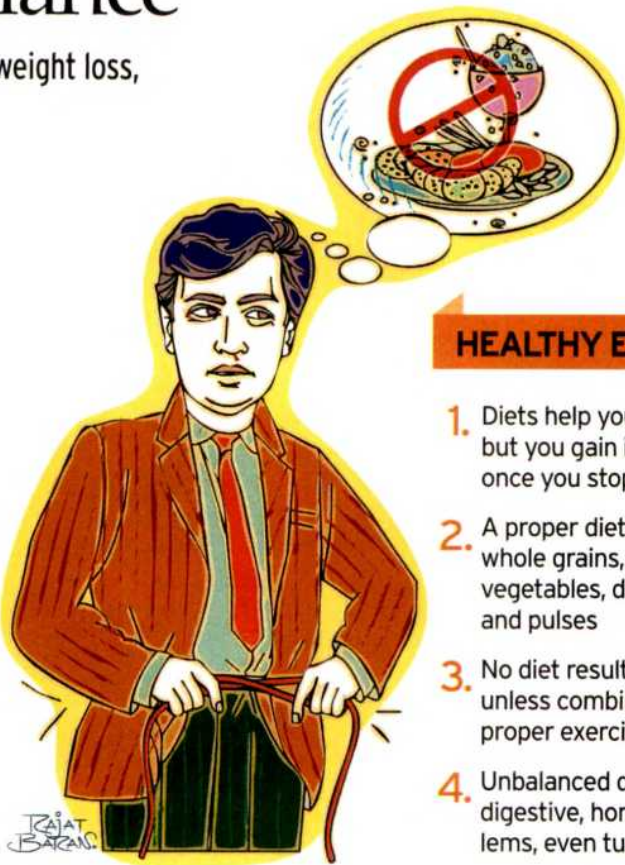
The origins of the seven-day GM diet are a mystery. Websites claim the programme was developed by General Motors Corp for its staff and their dependents, but the company denies it. The plan promises to help you shed five to six kg in a week. Users swear by it. It directs you to eat only fruit on the first day, vegetables on the second, and a combination of the two on the third. The diet on Day Four comprises bananas, milk and a special soup. Day Five is paneer or egg white or chicken and tomatoes. Day Six includes paneer or egg white or chicken and vegetables, while on Day Seven, the diet suggests you wrap up your effort with brown rice, vegetables and fruit juice.

But Arora was through by the fifth day. "I used to get cravings for food all the time and couldn't keep up." She finally adopted a balanced diet and supplemented it with exercise after her leg healed. In three months, she lost 12 kg and never had weight problems thereafter. "The problem with prescribed diets is you end up gaining more weight after you go off the plan. You tend to overeat later." Pointing out that such plans

direct people to avoid salt and sugar, she adds that the apparent weight loss observed is actually sodium and water loss, not genuine weight loss.

"Any diets that guarantee weight loss should be avoided, as each body type is different," says Ishi Khosla, Clinical Nutritionist and Director, Whole Foods, the organic foods retailer chain. She says a diet plan should give you information about food, and should include all food groups like dairy, pulses, fruits and vegetables and whole grains. She recalls how a patient who came to her had developed ovarian cancer after following various diets for a long period. "Tuberculosis, gall stones, thyroid problems, constipation, and other digestive disorders are some of the after-effects of crash diets," she adds.

Other doctors agree. "Almost 90

- 
- ### HEALTHY EATING
1. Diets help you lose weight but you gain it back once you stop
 2. A proper diet should include whole grains, fruits and vegetables, dairy products and pulses
 3. No diet results in weight loss unless combined with proper exercise
 4. Unbalanced diets can lead to digestive, hormonal problems, even tuberculosis

per cent of the chronic ailments are linked to obesity and weight loss," says Ritika Samaddar, Head of Department, Nutritional Therapy, Max Healthcare. She adds that diets alone are never enough, and have to be accompanied by regular exercise. "Executives these days opt for these yo-yo plans, which help in losing weight, but not in a scientific way."

It is also necessary to accept that the capacity to lose weight wanes with age, as the basal metabolic rate drops. Doctors recommend at least half an hour of exercise and a balanced diet rich in protein and fibre. "Have a bowl of fruit and salad before going out for dinner, pick salads without dressing like mayonnaise, and burgers with paneer, which is a rich source of protein," says Arora. Such small measures will go a long way in maintaining a healthy you. ♦

Get Paid to Study

Research and analytics has become an attractive job option, says Manasi Mithel

The quality of a product is no longer enough to capture the fickle attention of consumers. Industry needs to find out precisely what consumers want and provide it. With an increasing number of sectors realising this, the market research and analytics, or R&A, space is suddenly witnessing sizeable growth.

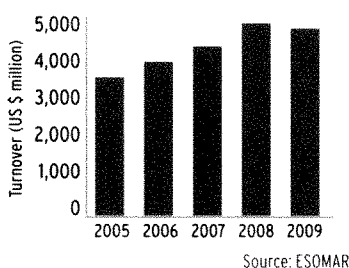
A company's R&A can either be handled in-house or outsourced, but spending on it has increased substantially. According to a 2009 report, the last such available, by ESOMAR, a global association of market researchers, the Indian market research industry is worth \$192 million, or ₹864 crore.

Sudeshna Datta, Co-founder of AbsolutData Research & Analytics, a R&A service provider, says companies overseas now spend around \$10 to 20 million each on market research. "Most of our business comes from the West. The knowledge process outsourcing, or KPO, space is really flourishing," she says. Companies are increasingly focused on more effective ways of delivering services and are looking at offshore outsourcing as a viable option. Even Indian businesses have begun doing so, she adds.

Datta says R&A in the KPO space has grown by 25 to 30 per cent and companies are doubling their spends every year. "This is clearly visible from our own business growth. We now

SUNRISE SECTOR

ASIA-PACIFIC MARKET RESEARCH
TURNOVER (2005-2009)



Looking for Bookworms

PLAYERS ACTIVE IN THE FIELD

- McKinsey Knowledge Center
- Genpact
- Fractal
- Nielsen
- Taylor Nelson Sofres

have offices in the US and the UK. In Delhi, we opened our office only last year," she says.

A number of small and mid-size research firms have started in India and more and more people are joining them. Says Purvi Sheth, CEO of Shilputsi, a human resources consulting firm: "This can make for a very interesting career. There aren't enough experienced workers as people rarely want to pursue this as a

long-term goal," says Sheth.

Given its flexible nature, the sector also attracts many temporary workers, for whom it is a good training ground. "Temporary workers comprise 15 per cent of our staff. If they are good, we hire them permanently," says Datta.

A stint in R&A with dominant players such as McKinsey Knowledge Center, Genpact, Fractal, Nielsen and Taylor Nelson Sofres adds value to a professional's work profile. "This is one sector where you have to deal with all industries – from soap to automobiles," says Raj Sharma, President and Co-founder of Majestic MRSS, a market research company. "You are exposed to various facets of every industry, so shifting to any other sector becomes easy. Most people will favour a person with such experience."

Since the field is still evolving, the salary range varies. Entry-level salaries, says Sharma, are around ₹84,000 to ₹1.8 lakh per annum, while Sheth pegs them at ₹3 to 4 lakh. Datta says mid-level employees earn around ₹12 to 16 lakh a year, while those at senior levels get between ₹25 to 30 lakh.

What sort of qualifications are needed to enter? These are flexible, depending on the type of research to be carried out. But a curious and detail-oriented mind is a must. ♦



EMPLOYERS ARE WAITING FOR YOU.

Monster has over 20000 employers on the look out. Post your resume at monster.com and get the right job right here.

monster.com
Right Jobs. Right Candidates.



Senior Management Jobs brought to you by monster.com



Cyber Futuristics India Private Limited

National Sales Manager

Location: Noida

Job ID: 9621445

Description: Responsible for managing sales cycle for delivery of customized business solutions i.e. Managed Application Hosted Services, Hosted Messaging Services, Data Center co-location services, managed IT & Infrastru. Services to clients, on PAN India basis.



Infotech Enterprises Limited

Senior Mgr Quality/Head- Vertical Quality

Location: Hyderabad

Job ID: 10082486

Description: Candidate must have implementation experience in standards "9001:2008, ISO 27001 & TL 9000" and process model CMMI and methodologies like sigma, Quality Function deployment. Expertise in using quality tools to identify and analyze causes.



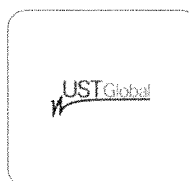
Suzlon Energy Ltd

Project Management Professional

Location: Pune

Job ID: 9879741

Description: Program manager defines and manages all relevant Project Management activities, on behalf of and to support the project leader (including stakeholders) in meeting the project deliverables.



UST Global

Manager- HR (Generalist)

Location: Thiruvananthapuram Trivandrum

Job ID: 9207267

Description: Deliver customer focused services to the Strategic Business Units & contributes to the attainment of the business objectives. The strategic partnership between the HR and the BU impacts the HR services.



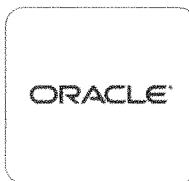
Panasonic India Private Limited

Marketing Manager

Location: Gurgaon

Job ID: 10080434

Description: To survey, analyze, the Indian consumer related information (Housing/Lifestyle) by home visit and create the report on every quarter.



Oracle Financial Services Software Ltd

Assistant Vice-President Quality

Location: Gurgaon

Job ID: 9948887

Description: Change management and people management skills. Certified Six Sigma Black Belt. Conceptualizing abilities. Strong analytical & planning skills, with hands-on experience in designing & implementing improvement plans in various Functions.



Infrasoft Technologies Limited

SBU Head

Location: Mumbai

Job ID: 9935649

Description: Full SBU P&L responsibility for Product Business including Sales, Production and Customer Relationship.



Indegene Lifesystems Pvt Ltd

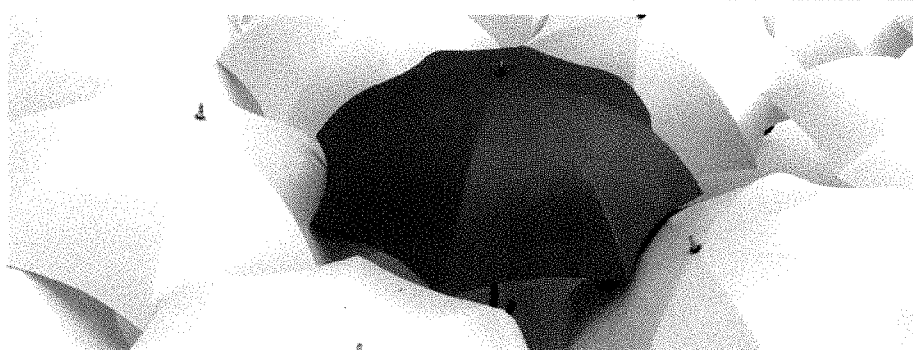
Senior Executive- Human Resource

Location: Bangalore

Job ID: 10015500

Description: Responsible for end to end Talent Acquisition at Junior and Mid level. Administering the selection process procedure effectively in all recruitments - a working towards process improvement.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button



From millions of candidate
Monster helps you find the one
that's just right for you

Call us Toll free : **1-800-419666**
email us at sales@monsterindia.com

monster.com
Right Jobs. Right Candidate



IT Jobs brought to you by monster.com

ciber

CIBER INC

Software Engineer/ Programmer

Location: Bangalore

Job ID: 9915404

Description: Must have Exp -3 to 5 yrs. Skill - Core java with XML technologies, Good in struts & database.



A xerox Company

ACS, Inc

Jira Administrator

Location: Bangalore

Job ID: 10059959

Description: Installation, Configuration and Administration of software development/management tools. Working with tools from Atlassian (JIRA, Confluence, Fisheye, Crucible and Bamboo) and Subversion (SVN).



TATA CONSULTANCY SERVICES
Engineering Services

TATA Consultancy Services Ltd.

Network MAC Engineer

Location: Hyderabad

Job ID: 10165622

Description: Experience of 3 – 7 years . Candidate must have good understanding of TCP/IP, Routing protocols, Load balancing concepts. Knowledge and experience in VTP and other switching technologies.



THOMSON REUTERS

Thomson Reuters

Network Engineer

Location: Hyderabad

Job ID: 10130434

Description: This includes trouble shooting and resolving Network and Voice issues, Incidents and service requests.

omnitech

Omnitech InfoSolutions Ltd

Sybase DBA

Location: Bangalore

Job ID: 9912437

Description: Looking for Sybase DBA with 2-6years of experience for the Bangalore Location.



NO FLOWERS

Juniper Networks Inc.

Software Test Engineer

Location: Bangalore

Job ID: 9879523

Description: 4 to 6 yrs of complex product test and L2/L3 protocols testing. Experience in testing security features such as NAT, Flow, Policy, IPSEC-VPN.

WDC

Web Development Company Ltd

Software Engineer/ Programmer

Location: Bangalore, Gurgaon

Job ID: 9980024

Description: Looking for Datastage professional for Kolkata/Hyderabad/Chennai/Bangalore/DelhiNCR/Pune/Mumbai. Resource should be flexible for relocation for above places.



CoreLogic

CoreLogic

Informatica Developer

Location: Hyderabad

Job ID: 9794357

Description: Primarily responsible for understanding the requirement, design and developing/testing the informatica objects based on the design.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



Finding the right candidates made us make the world borderless

Call us Toll free : **1-800-4196666** or email us at sales@monsterindia.com

monster.com

Right Jobs. Right Candidates.



Sales and Marketing Jobs brought to you by monster.com

VALUEFIRST:
get the message

Value First

Manager/Senior Manager

Location: Mumbai

Job ID: 10130217

Description: Excellent service ethics and a high level of integrity. Candidate should have working knowledge of Ms-office and knowledge of Internet. Internet. Must have experience of Corporate's/direct sales or Enterprise sales.

NOUS

INFOSYSTEMS
LEVERAGING INTELLECT

Nous Infosystems

Business Development Executive

Sr.Executive

Location: Bangalore

Job ID: 9959734

Description: Looking out for people who creative, who can think out of the box and identify new business opportunities. A proven record of strategic thinking; excellent written and verbal communication skills; high energy ability to self motivate.

Jobzebra
CREATING SYNERGIES

Jobzebra

Sales Exec/ Sales Representative

Location: Bangalore

Job ID: 10088729

Description: Looking for "Sales Engineer / Sales Executive" for one of our Clients which is a packaging industry in Bangalore.

HCR GLOBAL SERVICES
We're Hiring Consultants

HCR Global Services

Sales Executive

Location: Bangalore

Job ID: 9830794

Description: Negotiating with prospective customer and sign new long term contract with Industries to be their exclusive Logistics supplier.

HARVAS

Harvas Management Solutions Private Limited

Direct Marketing - Executive

Location: Chennai, Coimbatore

Job ID: 9868606

Description: The candidate should be well dressed, willing to take up sales as career, desire to learn new aspects, having a two wheeler, better communication skill in English and have the right attitude to grow in life.

TESCO
Hindustan Service Centre

Tesco Hindustan Service Centre

Marketing Manager

Location: Bangalore

Job ID: 10130292

Description: Act as point of contact for the team, work with the planners for campaign requirements and ensure team delivers to brand (all categories and other retail services like Clothing, TPF).

Z
Zenith World

Zenith Infotech Ltd

Corporate Sales Head

Location: Mumbai

Job ID: 10121233

Description: Direct & Corporate Sales experience required (8-14 yrs) with same industry. Candidate should be dealing at CXO level.

Newell Rubbermaid
Brands That Matter

Newell Rubbermaid

Channel Marketing Manager

Location: Chennai

Job ID: 9801437

Description: Delivering in key areas such as product development, product launch, strategic process, merchandising and related activities in promotional campaigns, as well as training and product information administration.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

Find the right candidate with Monster's 3 Layer Quality Check



➔ Profile targeting

➔ Barrier prompt

➔ MagicFilter

Try Monster's enhanced Job Posting today. Its one of the many things we do to get you the right candidate.

Call us or email us at sales@monsterindia.com.
Toll free : 1-800-4196666

monster.com

Right Jobs. Right Candidate



Finance Jobs brought to you by monster.com



Zensar Technologies Ltd

Financial Analyst

Location: Pune

Job ID: 9957993

Description: Should be Chartered Accountant/cost accountant with either CA or MBA-Finance qualification.



CedarCrestone Software India Pvt Ltd

Accountant

Location: Hyderabad

Job ID: 9937331

Description: General Accounting including Monthly & Annual close. Awareness of TDS and other general statutory compliance. Vendor management, cost evaluation. Accounts Payable- Time & Expense Processing.



GlobeOp Financial Services, LLC

Associate & Manager - Accounts

Location: Mumbai

Job ID: 10130310

Description: Booking of journal entries & authorizing the same on the system. Scrutiny of General Ledger accounts & passing provisions. Assisting the accounts controller in finalization of Accounts.



Robert Bosch Engineering and Business Solutions Limited

Accountant

Location: Bangalore

Job ID: 10129328

Description: Looking for Accountant with minimum 1-7 yrs of experience.



Verve Global Services Private Limited

Finance Manager

Location: Pune

Job ID: 10106223

Description: Candidates with 5-6 years corporate experience. Should have good experience in handling accounts/ finance.



Cybage Software Pvt. Ltd.

Chartered Accountant (CPA)

Location: Pune

Job ID: 8799986

Description: Looking for Finance Manager. Manage accounts of the company (includes AR, AP, Compliance). Lead the Central Accounting team. Finalization of accounts of the company etc.



Optimos (India) Private Limited

Executive - Accounts

Location: Pune

Job ID: 8849998

Description: Looking for candidates who have 3- 5 yrs. of experience in day to day management of Finance & Accounts.



Intelnet Global Services Pvt Ltd

Accounts Receivable

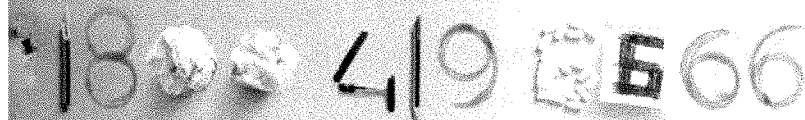
Location: Mumbai

Job ID: 9926201

Description: Candidates with working knowledge of accounts receivable, candidates should be able to handle a team. Good communication skills.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

FINDING THE RIGHT CANDIDATE STRESSING YOU OUT?
JUST CALL

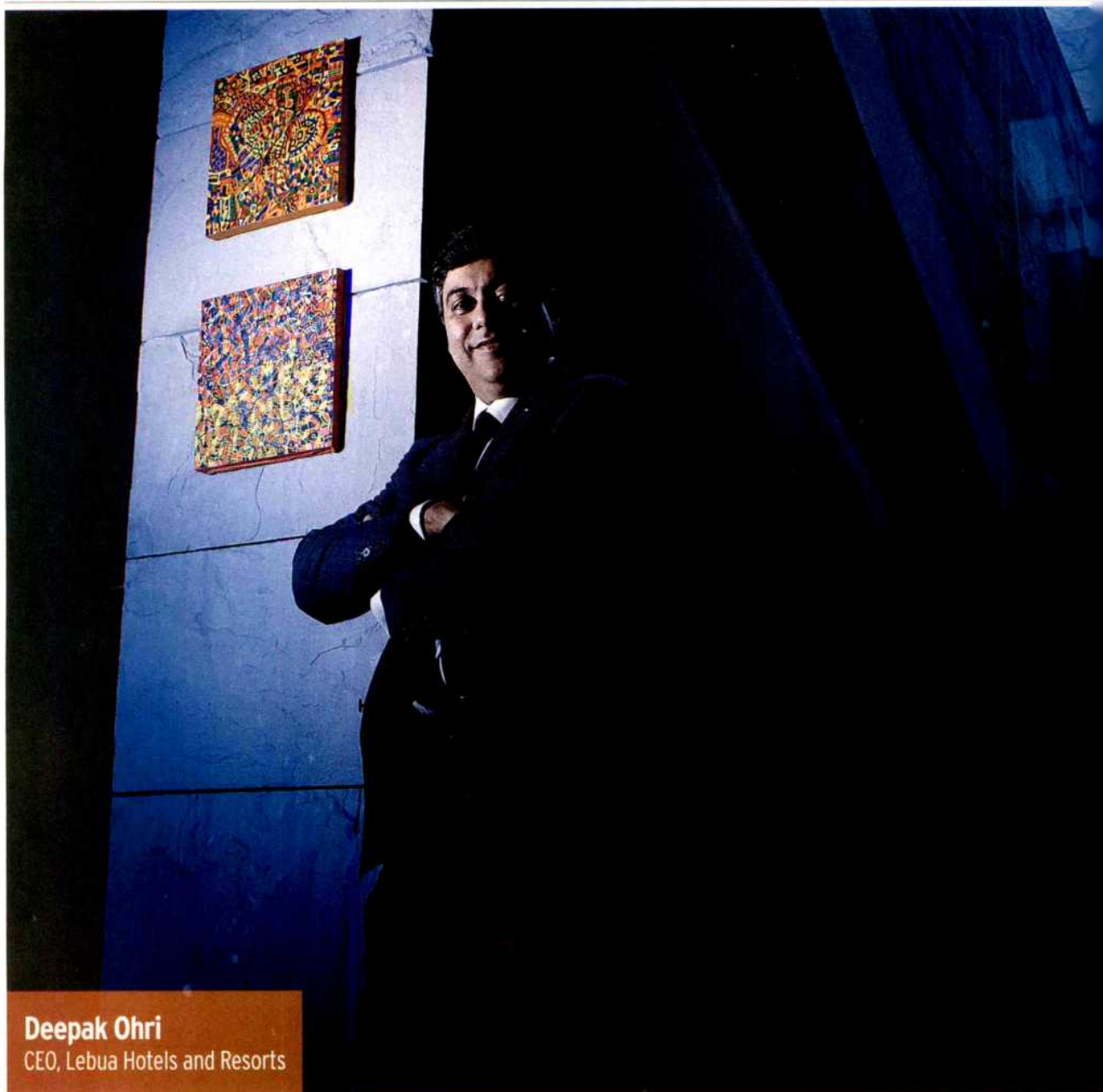


For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com.

We'll get you the right candidate, no matter what.

monster.com

Right Jobs. Right Candidates.



Deepak Ohri
CEO, Lebua Hotels and Resorts

In the Lap of Luxury

The latest entrant into the Indian hospitality space, Lebua Hotels and Resorts, is known for its innovative business strategies. Yet, CEO **DEEPAK OHRI** prefers to call it a branding company entering hospitality. The Bangkok-based luxury hotel brand, previously Challenge Hospitality, first entered the segment with restaurants such as Sirocco – the world's tallest al fresco restaurant – before going into hotels. Lebua has shaped the luxury accommodation and dining scene of Thailand and New Zealand, and now, Ohri is determined to do an encore in India. "We have an edge over others, but we don't compete with them. Our competition is with brands like

Cartier and Louis Vuitton, which target the young, highly-educated and well-travelled segment." The food and beverages operations constitute the most important part, and Ohri claims the chain brings emotions into the hospitality business. "It is about how we understand the mood maps and passion peaks and that translates into the bottomline," he says. "Our customers are very loyal. The return rate of consumers is 60 per cent; at the global level it is 20 per cent." Lebua has drawn the attention of strategists and it is in the first stage of becoming a full-fledged case study at Harvard Business School.

ANUMEHA CHATURVEDI



Right Diagnosis

"It is the process of creation that drives me forward," says 32-year-old **AMEERA SHAH**, Managing Director and Chief Executive Officer, Metropolis Healthcare. "It is all about watching your baby grow in front of you." Shah was recently felicitated as the Young Entrepreneur of India 2011 by Franchise India-Bloomberg UTV. After completing her education at the University of Texas, she returned to India to turn around her father's business from just a single pathology lab in 2003 to 65 diagnostic centres across India and overseas by 2011. The annual turnover of the company stands at ₹250 crore today, up from ₹12 crore in 1981. This Roger Federer fan has a bigger dream as well – to become a social entrepreneur and empower women.

DEARTON HECTOR



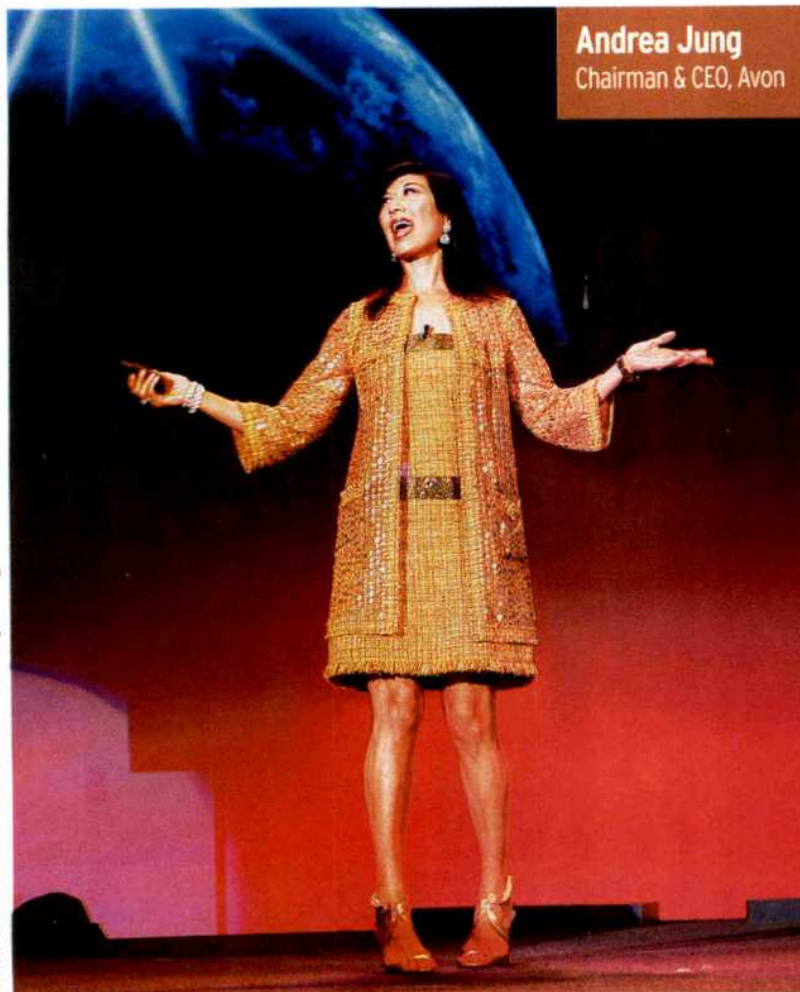
UMESH GOSWAMI

Ameera Shah,
MD and CEO,
Metropolis Healthcare

Power Behind Puff

In her signature pearls and business suit, **ANDREA JUNG**, 52, embodies her company's profile. The Chairman and CEO of the world's largest direct selling company, Avon, was in Delhi recently as part of her 16-city world tour to celebrate 125 years of the company. In her 17 years with Avon, Jung has not only put her business acumen and innovative marketing skills to work in reviving the image of the cosmetics major, but has turned around the fortunes of the once loss-making organisation. Avon's India business witnessed a 65 per cent jump last year. Jung, who is frequently listed among the top female executives in the world, also serves on the boards of GE and Apple. "As the company for women, Avon feels an obligation and responsibility to play a leadership role in helping women improve their lives," Jung told her Delhi audience.

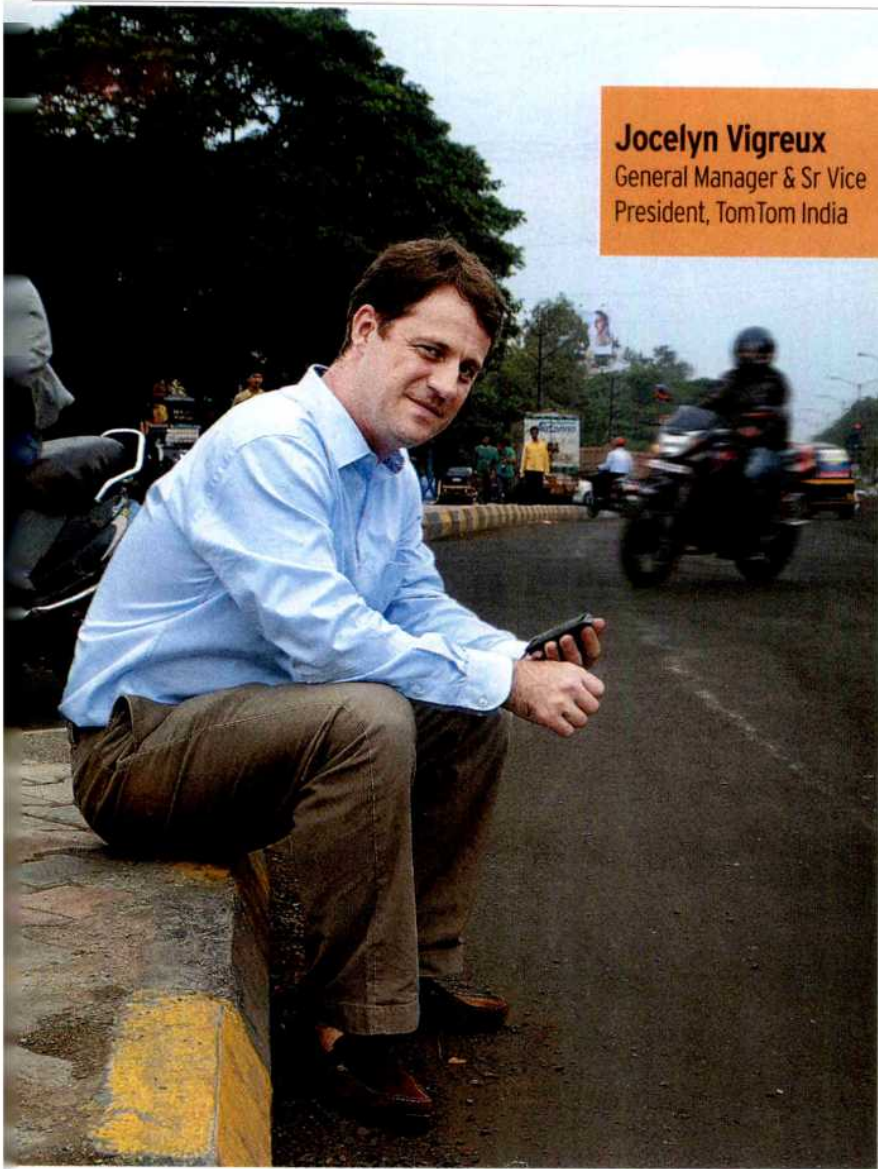
ANAND J.



SHEKHAR GHOSH/www.indiatodayimages.com



PARK AVENUE



Jocelyn Vigreux
General Manager & Sr Vice
President, TomTom India

Mapping Real India

JOCELYN VIGREUX preferred history over geography when he was in school. Little did he know that one day he would head TomTom's India operations, which deals in digital maps and navigation devices. To map India, he has been travelling widely, always carrying his Personal Navigation Device with him. "When we are looking at India, we are looking at creating the best quality map," he says. Vigreux previously headed TomTom's US business, which managed to win a 35 per cent market share there. It wants to achieve the same here, even with dominant players such as MapmyIndia around. He agrees that mapping India is very different. "Here streets don't have numbers!" he says. So every time a new street is added to his navigator, he feels a sense of achievement, and shares a bit of *saunf* (fennel seeds) with his colleagues. A small token for a small winding street somewhere in India.

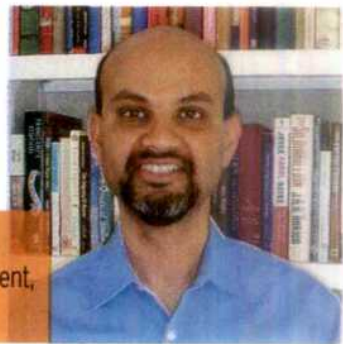
SUNNY SEN

YUSUF KHAN/www.indiatodayimages.com

Climbing High

MOHAMAD ALI, like his renowned boxer namesake, is an adventurous man. Despite his busy schedule, he runs 16 km on weekends, goes skiing in New Hampshire and hiking in the White Mountains. Ali, Senior Vice President, Corporate Development & Strategy, at Avaya, a global networking company, relishes sport. After spending 13 years in IBM, Ali moved to Avaya and guided it through the Nortel acquisition. Now he is taking Avaya through a global rebranding process. His workload will only increase in the coming days, but he is sure to still find time to climb the mountains.

SUNNY SEN



Mohamad Ali
Senior Vice President,
Avaya



A. MAHENDRAN

Managing Director,
Godrej Consumer
Products

My leadership style

- ☒ Delegative
- ☐ Participative
- ☐ Authoritative
- ☐ All of the above

The political leader I
admire the most
Nelson Mandela

The business leader I
admire the most
N.R. Narayana Murthy

The leadership lesson I
remember the best
Dilution of ego

A book I would
recommend
on leadership
*The Situational
Leader* by
Paul Hersey

The difference between a
manager and a leader

**A manager is the
'Doer' whereas a
leader is the 'Driver'**

All good managers
are good leaders
No

(As told to K.R. Balasubramanyam)



RACHIT GOSWAMI/www.indiatodayimages.com

Vol. 20, No. 18, for the fortnight August 22 to September 4, 2011. Released on August 22, 2011.

Sure, we have financed lakhs of small truckers.

But, it is the transformation of their lives that we are proud of.



There are many aspiring truckers with a desire to break out and make something out of their lives. We, at Shriram Transport Finance Company, understand their need for finance and also their constraints in producing collateral. Our long-standing relationship model and simple evaluation process make it possible for them to get their loans easily sanctioned.

They also get advice and timely loans to build and expand their business. Improve the condition of their vehicles and also upgrade to newer vehicles. In short, we help them prosper in their business and improve their lifestyle.

No surprise then that today we enjoy strong relationships with over 8,00,000 happy customers*. And have grown to become India's largest Asset Financing NBFC** with Assets Under Management of ₹36,997 Crores*.

Shriram Transport Finance Company – partnering lakhs of truckers on the road to prosperity.



SHRIRAM

Commercial Vehicle Finance
GETS YOU GOING

*As on June 30th, 2011. **Retail Finance-Auto-November 2010 - CRISIL **Report on Commercial Vehicle Finance, June 2011-Dun & Bradstreet.

FINANCE FOR: TRUCKS • PASSENGER VEHICLES • MULTI UTILITY VEHICLES • THREE WHEELERS • TRACTORS • CONSTRUCTION EQUIPMENT
OTHER SERVICES: TYRE LOAN • ENGINE REPLACEMENT LOAN • BILL DISCOUNTING • CREDIT CARDS • AUTOMALLS • NEW LOOK • ONE STOP

Corp. Office: Shriram Transport Finance Company Limited, Wockhardt Towers, 3rd Floor,
West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel.: 4095 9595. www.stfc.in

LIFE AT INDIABULLS GREENS JUST GOT GREENER

Presenting

CLUB

MOSS

Over 100,000 SFT clubhouse
with an extraordinary design and a generous spread of indoor sports
fitness and recreation facilities



With essentials such as a world-class school, a premium health care centre and a host of outdoor sports facilities taken care of, we now offer you an amenity that will make life at Indiabulls Greens, a celebration. Club Moss is a unique amoeba shaped clubhouse with a lush green cover, and a design so extraordinary that the entire structure appears to have protruded from the earth. Even one that possesses a life of its own. Inside, the clubhouse is divided in 3 levels to allow more space for each facility. So residents can enjoy unwinding as leisurely and as lazily as they wish. The green cover on the outside makes the building not only aesthetically breathtaking, but also sufficiently insulated from harsh sun, dust and noise.



INDIABULLS

greens

Move up in life | PANVEL

Construction on full swing.

In close proximity
to the proposed international airport.

QUALITY
ON TIME

What to expect in Club Moss Cricket pitch • Cycling and jogging tracks • Tennis, badminton and basketball courts • Squash rooms • Snooker and cards room • TT room • Kids zone • Creche • World-class gym • Spa with Jacuzzi, steam, sauna and massage room • Salon • Pool and toddlers' pool • Meditation corner • Aerobics nook • Music and dance room • Bar counter • Lounging areas • Banquet hall • Party lawn

Indiabulls Greens: Project highlights Well-equipped 1, 2 and 3 BHK apartments • A world-class school with a comprehensive curriculum and extra-curricular activities • A premium medical care centre with advanced facilities and equipment • World-class destination mall with entertainment and recreation facilities • Shopping centres, restaurants, banks, pharmacies and a post office • Thoughtful additions like separate toddlers and children's play areas, and sit-outs for elderly • Dedicated bus service to and from local railway station / bus stand

SALES OFFICES:

Hotel Fortune Select Exotica, Next to Palm Beach Galleria Mall, Plot No. 16, Sector 19-D, Vashi, Navi Mumbai - 400 705.
One Indiabulls Centre, Tower 1 Atrium, Lower Parel, Mumbai - 400 013.

*Conditions apply | 1 sq. mt. = 10.764 sq. ft. | All the specifications, designs, facilities, dimensions etc. are subject to the approval of the respective authorities and the developers reserve the right to change the specifications or features without any notice or any obligation. Images are for representative purpose only.

Indiabulls
REAL ESTATE

Toll free: 1800-200-7755

Email at greens.panvel@indiabulls.com
or SMS Greens to 56677

<http://realestate.indiabulls.com/>

SPECIAL MOST POWERFUL WOMEN 75

THE
NEW FACE OF
INFOSYS 64

business today

managing from

www.businesstoday.in

September 18, 2011 ₹30

Pawan
Munjal

SUPERHERO DREAMS

How Hero MotoCorp sees life beyond Honda

THE
INDIA
TODAY





The
BMW

X3

Y EVERYDAY.

is exceptional 2.0-litre four-cylinder
d automatic transmission with
ance and fuel consumption.
Its generously dimensioned
a versatile space for every situation with
ffering the smartest and most efficient

a test-drive or more information
gence with the all-new BMW X3.

Authorized BMW Dealers:

North: Chandigarh: Krishna Automobiles +91 172 525 0000, Delhi and NCR: Deutsche Motoren (South-East), Deutsche Motoren (West Delhi) +91 11 4726 0000, BMW Studio +91 11 4266 0000, Bird Automotive Jaipur: Sanghi Classic +91 141 408 7070, Ludhiana: Krishna Automobiles +91 161 525 0000
South: Bangalore: Navnit Motors (South Bangalore) +91 80 2852 0060, Navnit Motors (North Bangalore) +91 80 2852 0060, Chennai: KUN Exclusive +91 44 4291 1111, Coimbatore: KUN Exclusive +91 42 2227 0900, Hyderabad: Platino Classic +91 484 400 9966
East: Bhubaneswar: OSL Prestige +91 674 644 4672, Kolkata: OSL Prestige +91 33 2251 7010, Raipur: OSL Prestige +91 79 2684 1231
West: Ahmedabad: Parsoli Motors +91 79 2684 1231, Goa: Bavaria Motors +91 832 288 7771, Indore: Infinity Cars +91 22 6714 5100, Navnit Motors +91 22 6677 7777, Pune: Bavaria Motors +91 20 261 272 1231, Surat: Parsoli Motors +91 261 272 1231

The model, equipment and possible vehicle configurations illustrated in the advertisement may differ from the vehicle



can hope
change.
ou can
k it.

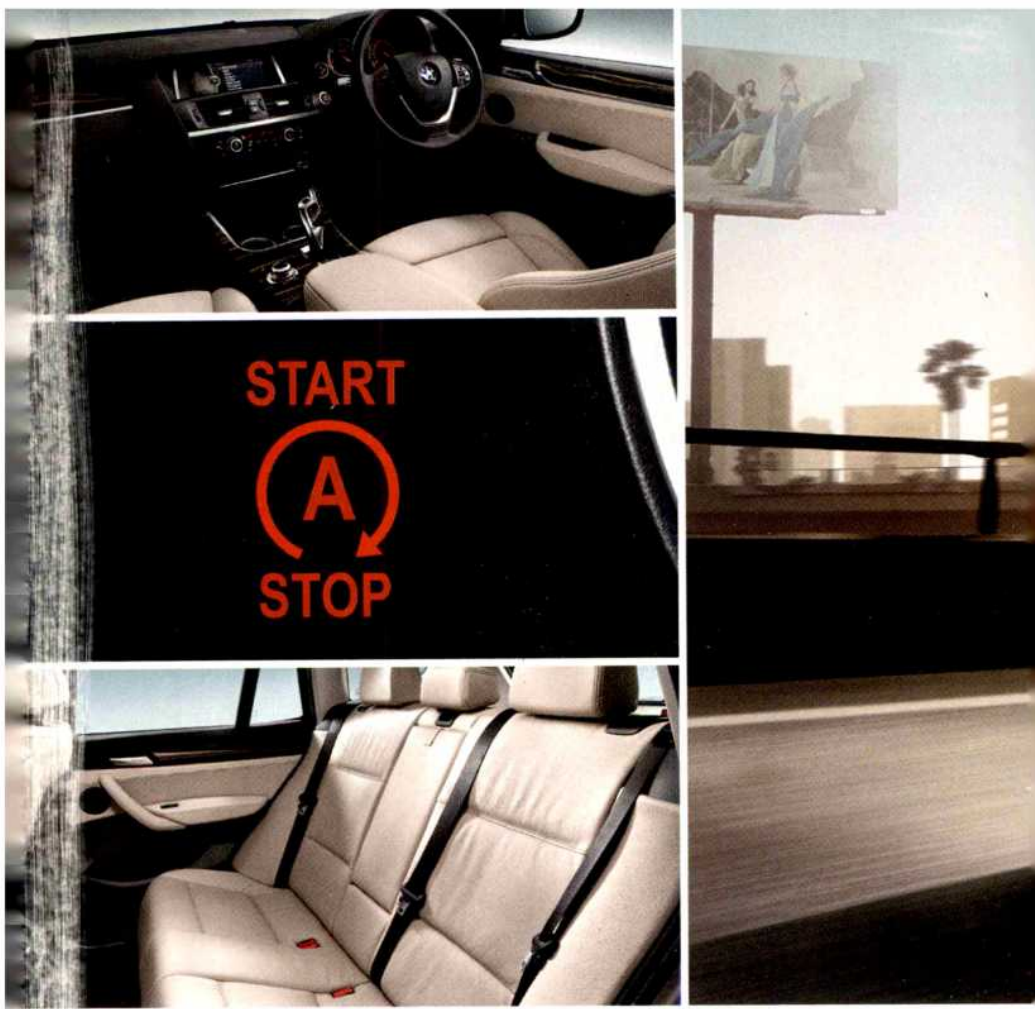
Share ideas for India's progress at

 www.sparktherise.com

We'll give grants to the winning ideas.*

Be the fresh thinkers of today, who make the India of tomorrow. Submit your ideas in the areas of **technology, transportation, infrastructure, energy, agriculture, rural development and social entrepreneurship** to sparktherise.com and see them spark change. It's a rare opportunity to help build the world you want to live in.

 **Mahindra**
Rise.



JOY IS EXTRAORDINARY

The all-new BMW X3 is built to lead the way and state-of-the-art innovations are the solid diesel power plant and innovative BMW EfficientDynamics innovations, such as Brake Energy Recovery and Auto Start Stop function, available for the first time in India, are designed to leave behind a trail of efficiency. Intelligent technologies like Performance Control and Dynamic Damper Control provide a dynamic driving experience. The interior offers first-class ambience for up to five passengers with the biggest-in-class luggage capacity. The 40:20:40 split rear seats and everything that fits a maximum volume of 1,600 litres with the new load capacity solution makes the much-awaited all-new BMW X3 so extraordinary.

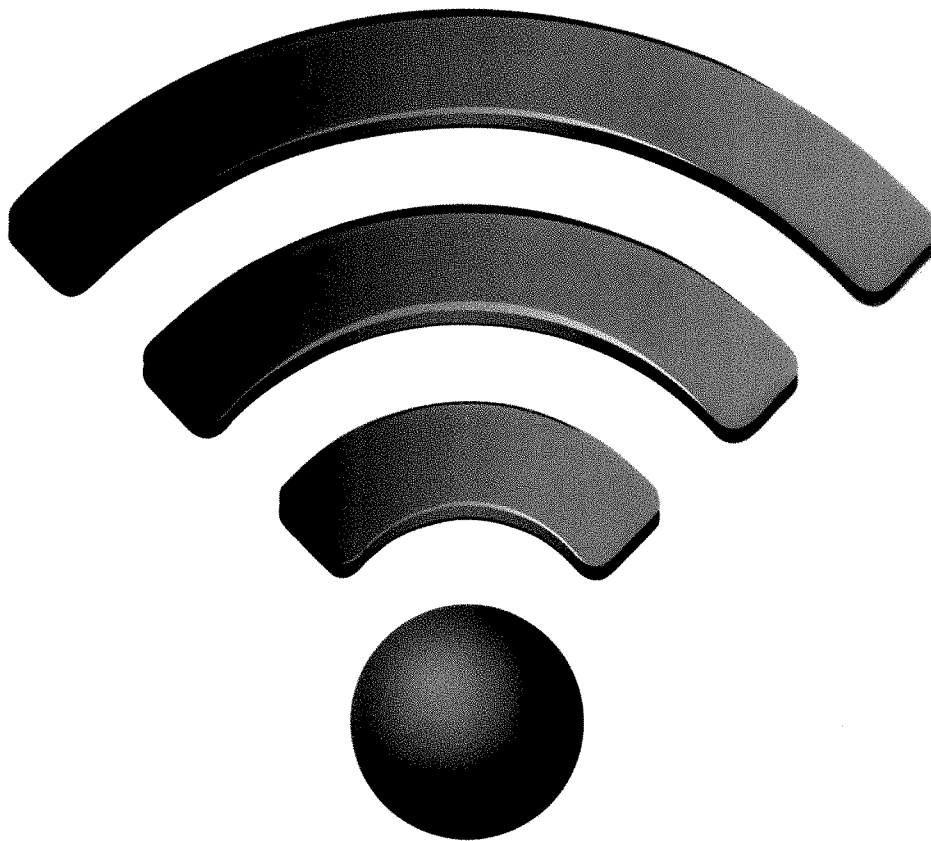
The all-new BMW X3 indulges even the most demanding motoring enthusiasts and passengers. For more information, contact your local Authorized BMW Dealer or log on to www.bmw.in/x3 and be among the first to experience the joy of the all-new BMW X3.

JOY IS THE ALL-NEW BMW X3

BMW EfficientDynamics
Less consumption. More driving pleasure.

SAMSUNG
Laser printers

SAMSUNG



checked
K.H.
05.09.11.

It's time printing goes wireless.
Presenting Wireless Laser & Multifunction Printer.

- Full Starter Toner
- 16 ppm Speed • 128 MB Memory
- High speed USB 2.0
- 1 year on-site Warranty

PRINT | SCAN | COPY SCX-3206W/XIP
MRP: ₹ 10,499/-



- Full Starter Toner
- 18ppm Speed • 64 MB Memory
- High speed USB 2.0
- 1 year on-site Warranty

ML-1866W/XIP
MRP: ₹ 6,999/-



Printing simplified, now that's printelligence

For sales enquiry, please contact: North: Chandigarh/Punjab/J&K/HP-Indrajeet Singh: 09779167603, Delhi -Gurmeet Singh: 09650688664, East Uttar Pradesh-Ashish Mohan: 09935654600, Haryana-Rajesh Arora: 9996632636, Rajasthan-Rajneesh Chandel: 09928995096, Western UP/Uttarkhand- Jitender: 09910013464, East: Bihar- Amit Ojha: 09334485532, Jharkhand- Sanjay Singh: 09771490551, Orissa-Amarjeet: 09937322678, North East-Kaushik Jana: 08420200826, West Bengal-Manoj Ojha: 09051111189, West: Chhatisgarh & Vidarbha-Amit Patil: 09922966624, MP-Vaibhav Kumar: 09755558809, Mumbai-Mohd. Ayyub: 09819812233, Pune/ROM/Goa-Pankaj Jha: 09881123276, South: Andhra Pradesh-Koteswararao: 09848435880, Karnataka-Vinay MC: 09880460391, Kerala-Binu Jose: 09895581228, Tamil Nadu/Puducherry-Dhanashankar: 09840822300

Cell: 0587/11

SAMSUNG HELPLINE
3030 8282
Call: 1800 110 011
(MTNL/BSNL)

Keep It Real
Always Buy Original
Samsung Toner Cartridges

Having difficulty in Printing Toner?
Write to: tonerhelpdesk@samsung.com

EASY TONER MANAGEABILITY. EASY TONER AVAILABILITY.

Corporate Office: Samsung India Electronics Pvt. Ltd. 2nd, 3rd & 4th Floor, Tower-C, Vipul Tech Square, Sector-43, Golf Course Road, Gurgaon-122002 Haryana (India)

From the Editor

Song sung blue

Everybody knows one

Song sung blue

Every garden grows one

If you are of a certain vintage, you will have been moved by these Neil Diamond lines, sung on a hot August night almost exactly 40 years ago. This steamy August, India has been convulsed by the sudden expelling of decades of rage and helplessness over corruption, and a 74-year-old Maharashtrian on the fast track of protest has become the unlikely fulcrum of a people's movement. "Anna" means big brother, a comforting and protective presence in Indian families. Let us hope it stays that way, and fervour does not turn into fever. I have watched upheavals in Iran (1979), the Philippines (1986) and Tiananmen Square (1989) devour their idols.

We need our heroes, and we need inspirational stories. Not forgetting the hot, humid Ramlila Ground nights, we bring you three motivational tales in this issue of *Business Today*.

The first is about a different kind of Hero, born last month in the incongruous razzmatazz of a London delivery room ringed by the fire of arson, rioting and murderous mayhem. A rather apposite baptism for Hero MotoCorp and for the Munjals, who started out with a bicycle repair shop in Old Delhi soon after the flames of Partition died down. It is all good news for Indian riders who will now have even more choice in two-wheelers. Read Kushan Mitra's racy story from page 50.

The second is about India's most successful and brilliant women leaders in business. Our annual listing of the Most Powerful Women in Indian Business is preceded by months of painstaking vetting, and nominations are based on noteworthy success over the past year, seasoned by cool, logical and decisive objectivity – attributes all our honorees share. This year, we promoted six of our most consistent winners to a Hall of Fame. Enshrined there, they will watch newer names join their sorority. The Special Six braved rain, a Mumbai *bandh*, and frenetic schedules to gather for an exclusive round-table discussion – and a souvenir group portrait – on August 1. Shweta Punj led the way by shepherding and profiling the Hall of Famers (see page 76). We also pay tribute to the 25 Definitely Powerful Women, and a second group of 25 Also Powerful Women. The number of women in corner offices is growing, but their tribe needs to grow. You will admire the rich tapestry of their stories unfurling from page 92. A number of other stories, including columns on Mayawati and women in boardrooms, embellish our stylish and exhilarating narrative.

Many of you will have heard of *manga*, the Japanese comic-book storytelling style. You will find echoes of this in the fascinating storyboard unfolding from page 64 that was edgily illustrated by Santosh Kushwaha. We round off our trilogy with the larger-than-life fables, told by K.R. Balasubramanyam and Josey Puliyenthuruthel, of the men who will lead Infosys 3.0 (Nandita Gurjar, who heads HR and is the only woman in the company's top pantheon, features in our MPW list).

This edition of *BT*, truth be told, is bursting with great reportage. Take Anand Adhikari's telling investigation of lax accounting standards in Indian companies on page 144, or our unearthing of the women and men who mastermind companies' social-media presence, a new and serious kind of reputation management (page 156). Happy reading.



Chaitanya Kalbag
chaitanya.kalbag@intoday.com
www.business today.in/editor



SIEMENS

Building cities worth building a future in.

Siemens answers are making cities more lasting, livable and prosperous.

The growth story of a country is written in its cities. Which is why, Siemens is helping Indian cities become places where people and businesses can thrive. Like in Mumbai, our propulsion and electrical systems are taking the stress out of travelling in the local trains. In another part of the city, buildings like the Oberoi Mall in Goregaon are discovering that energy consumption

and costs can be lowered without sacrificing comfort. Doctors at Medicity in Delhi are using our advanced medical scanners to diagnose critical diseases earlier. Helping patients save costs and more importantly, live healthier for longer. For a country looking to power itself into the future, Siemens has the answers that last.

siemens.com/answers

CHIAROSCURO

12 | Quick takes on major events of the last fortnight

FOCUS

16 | In the Interest of Inflation

Voices questioning the efficacy of tight monetary policies emerge as another rate hike looms

18 | Turn of the Tablet

Indian tablet manufacturers hope to repeat the success of their mobile handset-maker counterparts

20 | Finance

22 | BT Poll

26 | Graphiti: On Greasy Ground

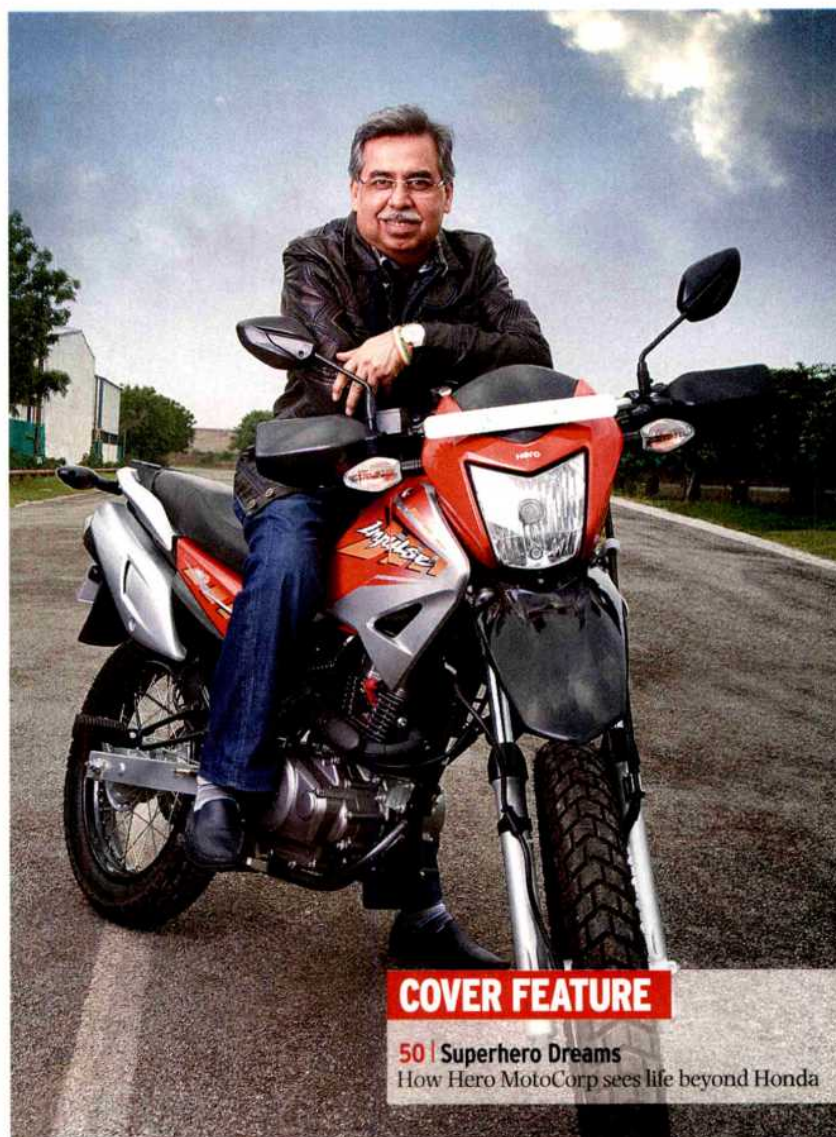
28 | Etcetera

CORRUPTION BITES

36 | On Record

38 | Ground Zero

40 | SMEs



COVER FEATURE

50 | Superhero Dreams

How Hero MotoCorp sees life beyond Honda

COVER BY SANTOSH AND RAVI REDDY. PHOTOGRAPH BY VIVAN MEHRA

MOST POWERFUL WOMEN IN BUSINESS

Business Today's eighth annual listing of the country's most powerful women



76 | Hall of Fame

Six women who have figured in all previous listings of most powerful women

78 | Naina Lal Kidwai

80 | Chanda Kochhar

82 | Kiran Mazumdar-Shaw

84 | Swati Piramal

86 | Shikha Sharma

88 | Mallika Srinivasan

92 | MPW Profiles

Aruna Jayanthi

Nandita Gurjar

Chiki Sarkar

Renu Sud Karnad

Jyotsna Suri

Meena Ganesh

Krithiga Reddy

Ekta Kapoor

Falguni Nayar

Archana Hingorani

Ashwini Yardi

Nita Ambani

Ayush Suyash

Zia Mody

Roopa Kudva

Zarina Mehta

Leena Nair

Vinita Gupta

Shobhana Bhartia

Vinita Bali

Preetha Reddy

Vishakha Mulye

Kalpana Morparia

Renuka Ramnath

Vedika Bhandarkar

42 | End of the Golden Run

The commercial vehicle industry is at the threshold of yet another downturn, much like 2008/09

44 | How to Do Business in a Slowing Economy

Keep your head, grab the hidden opportunities and cover your risks, advise top names from India Inc.

64 | The New Face of Infosys

Who are the new helmsmen at India's most respected company and what makes them tick?

138 | The Second Decade

As BPO players chase expertise and scale, they trigger an acquisition tsunami

144 | Camouflage Accounting

The rising number of auditors' qualifications points to India's deteriorating accounting standards

116 | The Other Twenty-five

126 | Breaking the Mould
How to create more women CEOs

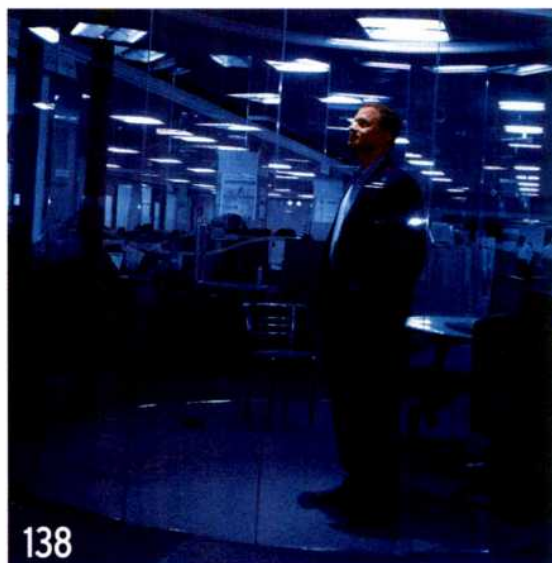
COLUMN

132 | Ajoy Bose on why Mayawati triumphs in Uttar Pradesh

134 | Rama Bijapurkar on getting more women on company boards

INTERVIEW

136 | Ripa Rashid,
co-author with Sylvia
Ann Hewlett of *Winning
the War for Talent in
Emerging Markets*

**LBNL**

156 | Cooling Virtual Tempers

From poetry to personal attacks, social networking professionals face it all to promote brands

PTECH

159 | Time to Go HD

BOOKEND

160 | No, Boss, You Are not a Leader

Rajeev Peshawaria goes to the core of the leadership issue

SMART EXECUTIVE

164 | Is Your Strength Your Weakness?

166 | PEOPLEBUSINESS

Bennet J. Morgan of Polaris Industries; Devan Sharma of S&P; Meena Kaushik of Quantum Consumer Solutions; former Liverpool FC player S. McMahon; new hotelier Ravi Pillai; and U.C. Deveshwar of Imerys India

LEADERSPEAK

174 | Sanjay Rishi,
Asia Business Head,
American Express (India)

ISB Query on B-school Survey

We are students of ISB, Hyderabad. In your B-school survey process, in the HR and functional head category, it was surprising to see Chandigarh having the same sample size as Bangalore; and Kolkata and Patna having higher sampler sizes than Bangalore and Hyderabad. This is an inappropriate geographical representation of the spread of top business organisations in India. Further, what sort of MBA aspirants have you considered? The average age of class of 2012 in ISB is 28 years, with average five years work experience. So the profile of a potential MBA candidate at ISB is very different from IIMs where the average age is 24. Finally, we also believe that the use of perception methodology is incorrect for surveys of such variety as they fail to take objective data into account.

Dinker Vashisht, Marami Kar
ISB, Hyderabad

Editor's Reply

The respondents base in the *Business Today* B-school survey, 2011, in each of the five stakeholder categories was divided into four zones to minimise zonal bias. In the East Zone, the two cities the survey was conducted in were Kolkata and Patna, with a skew towards Kolkata, which explains the high respondent numbers there. All zones had a higher representation in metros, including for HR and func-



The B-school survey, as in previous years, was based on perceptions of stakeholders. Many top B-schools are not comfortable sharing factual data

tional heads, because there were not too many such respondents in the smaller cities. MBA aspirants surveyed included those who plan to appear for MBA entrance tests in the next one or two years: out of 203 aspirants, 55 had work experience and 148 did not, and were in the age bracket of 18 to 40 years. The survey, as in previous years, was based on perceptions of stakeholders. Many B-schools, including ISB, are not comfortable sharing factual data, which *Business Today* could use to make comparisons.

Correction

In *Rankings Through the Years* (cover package, September 4, page 70), the ranking of year 2000 was inadvertently labelled 1999. We regret the error.



www.besidesstoday.in/coverstory: *The Big Shuffle* (September 4) is BT's annual ranking of India's Best B-schools

www.besidesstoday.in/coverstory: *Rough Ride* (August 21) looks at auto manufacturers focusing on the volatile domestic market

BT SCRAPBOOK

- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.besidesstoday.in



WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor,
E-1, Jhandewalan Extension, New Delhi-110055.
E-mail: letters.bt@intoday.com
Website: www.besidesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57,
Noida (U.P.) - 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900
(Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL lines);
Fax: (0120) 4078080
E-mail: wecarebt@intoday.com

THE BEST GIFTING OPTIONS THIS FESTIVE SEASON



24 CARAT GOLD COIN:

- 2% Discount to Customers / Bulk Purchasers*
- Assay Certified, 999.9 Purity
- Tamper Proof Packing
- Available in 2, 4, 5, 8 gram coins and 10, 20 & 50 gram bars
- Toll Free No.: 1800 22 4447



BARODA GIFT CARD:

- Easy and convenient to use
- Validity – 1 year from date of purchase
- Maximum Value ₹ 50,000/-
- Valid for online purchases
- Toll Free No.: 1800 102 5627

*Conditions Apply

BARODA next
STATE-OF-THE-ART. STRAIGHT FROM THE HEART.

www.bankofbaroda.com



बैंक ऑफ बड़ौदा
Bank of Baroda

India's International Bank

Watch India's Most Powerful Women!



This year's most powerful women come from a variety of industries and backgrounds, but they share a phenomenal record of business success. See exclusive video profiles of our chosen power players at: businessstoday.in/mpw2011



Web Exclusives

Rohit Nandan's Inheritance of Loss

The new managing director of Air India faces a massive task if he plans to fix the mess he has inherited, says Geetanjali Shukla. businessstoday.in/nandan



Google's Deal with Motorola

Will the Google-Motorola deal reshape the mobile world? It all depends on Apple and Microsoft, says Kushan Mitra. businessstoday.in/motorola

Blogs



Surround Sound

Matrix's Prasad faces heat from the CBI over his links with Jagan, says E. Kumar Sharma.

» businessstoday.in/kumar



Book Bazaar

How successful has the first foreign literary agency to set up shop in India been, asks Debashish Mukerji.

» businessstoday.in/debashish



Word Mentality

Language is still a barrier for students going abroad, says Uma Asher.

» businessstoday.in/uma



& Company Ltd

We need an Anna Hazare-type activist to fight corporate corruption, says Suman Layak.

» businessstoday.in/suman



Umbrella Blog

'Jaya Hey' updates the national anthem for the new generation, says Anusha Subramanian.

» businessstoday.in/anusha

Start-up Today

Taslima Khan starts a three-part series on incubation centres. This week: How to get accepted by one. businessstoday.in/startuptoday

Letter from the Editor »
businessstoday.in/editor

UTILITY TOOLS

› Risk Calculator

Analyse your risk tolerance and decide your investment approach.

› Tax Calculator

Find out how much tax you need to pay depending on your income and investments.

› Education Plan

Calculate and plan for your child's expenses.

› Retirement Plan

Find out how to maintain your current lifestyle after retirement.

› EMI Calculator

Know how much equated monthly installment you will pay on your loan.

› Business Tips

Hot tips to keep you ahead of rivals in business.

ON MOBILE

Hot New Management Tip

Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Does corruption have a major impact on your daily life?

Type "BTPOLL Y" for Yes.

Type "BTPOLL N" for No.

SMS to 52424

Readers can also participate in the poll at www.businessstoday.in
Powered by Zergo India
www.Zergo.com

e-newsletter

Register for free and subscribe to *Business Today's* e-newsletter. businessstoday.in

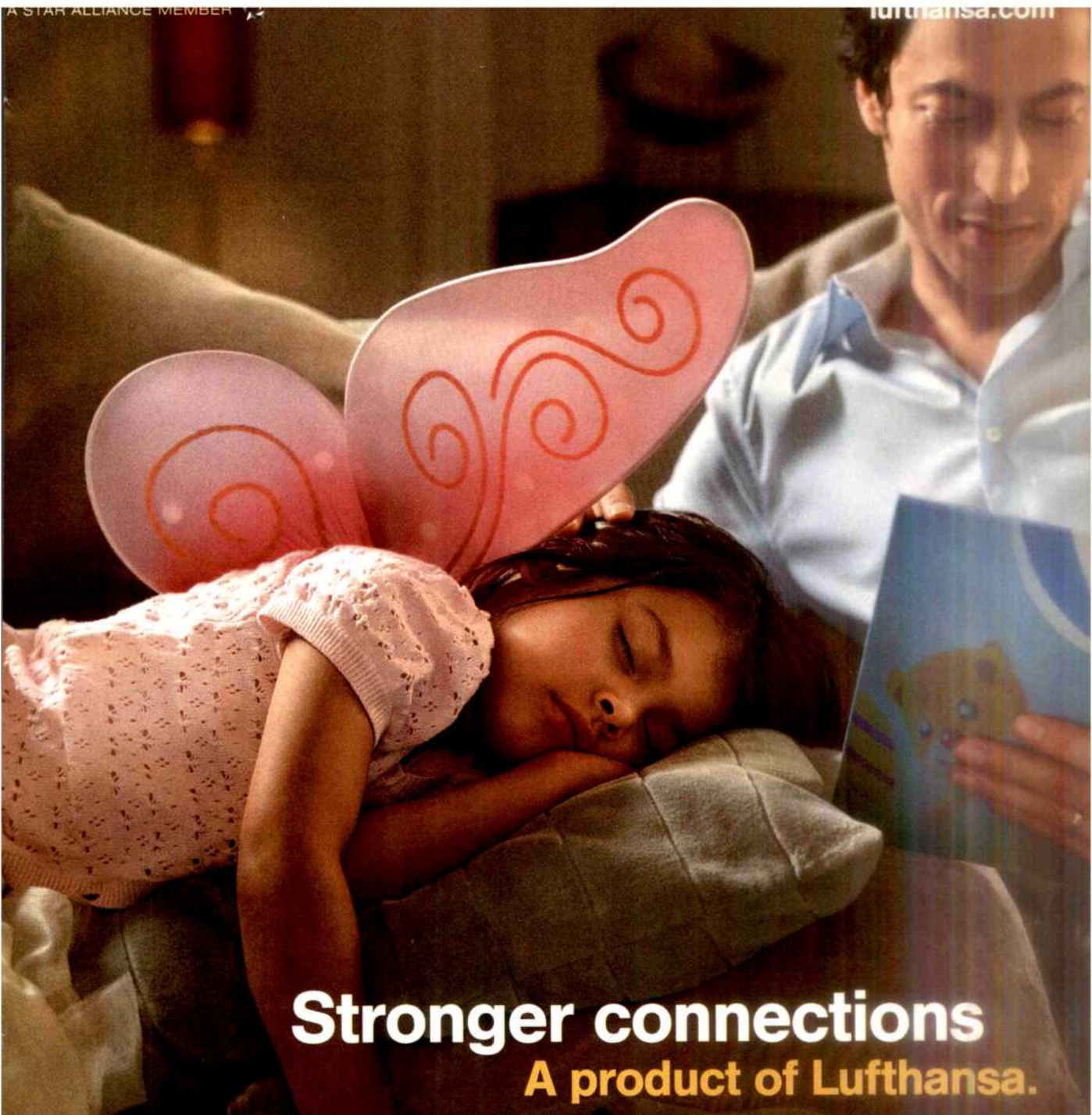
Read Now on

ZINIO: businessstoday.in/zinio

KINDLE: businessstoday.in/kindle

A STAR ALLIANCE MEMBER

lufthansa.com

A man in a light blue shirt is sitting and reading a book to a young girl who is sleeping on a couch. The girl is wearing a pink lace-trimmed dress and large pink fairy wings with orange swirl patterns. The scene is warmly lit, suggesting a cozy evening at home. The man is looking down at the book, and the girl is resting her head on a grey cushion.

Stronger connections
A product of Lufthansa.



Fast Forward: Anna Hazare has become a rallying point for citizens fed up with corruption. Hazare wants the Jan Lokpal Bill to include the Prime Minister and lower bureaucracy. Political parties do not. Corrupt babus did not waste time on such debates.

Corporate

Anna Hazare's campaign against financial corruption and his demand that no one should be exempt from the law gripped the public imagination. **The corporate world is not immune:** big companies fear that the political paralysis will affect decision-making. Many young executives have also joined the crowds thronging to Hazare. But small and medium enterprises, or SMEs, say most corruption cases are an outcome of complex laws that make it easier for them to bribe babus if they want to focus on running their businesses. *Business Today* captures the sentiments on pages 36, 38 and 40.

Talking of corruption, in the trials of those accused in the 2G spectrum sale scam, **former Telecom Minister A. Raja** and DMK chief Karunanidhi's daughter and **MP Kanimozhi** want Prime Minister Manmohan Singh to testify that there was no loss to the exchequer on account of government allotting wireless spectrum in 2008.

GVK Power and Infrastructure finally exercised its first right to buy stake held by Siemens in Bangalore International Airport Ltd, or BIAL, even though it hated the price it had to pay. It had no option: Singapore's Changi International and the Tatas were eyeing the Siemens stake. GVK paid ₹614 crore for a 14 per cent slice, increasing its stake to 43 per cent. Siemens still has 26 per cent. The deal values BIAL at ₹4,384 crore.

The Income-Tax department wants Mahindra Satyam to pay ₹2,114 crore for assessment years 2002/03 and 2007/08 when founder B. Ramalinga Raju, since ousted, allegedly orchestrated financial fraud. The current management is contesting the claim, as the taxman has not excluded what was paid earlier on fictitious income by Raju's management.

Just ahead of the launch of its much-awaited compact car Brio, Honda has **slashed the price of its premium hatchback Jazz by up to ₹1.62 lakh**. Jazz, now priced at ₹5.50 lakh, is pitched against Hyundai's i20, Maruti Suzuki's Swift and Volkswagen's Polo, among others. Despite discount schemes, Jazz's sales had dipped to about 250 units a month from 500 at launch.

In a blow to real estate developers and a victory for consumers who are given the short end of the stick, Competition Commission of India, or CCI, has imposed a **₹630 crore penalty on India's largest real estate developer, DLF**, for "abuse of market dominance and unfair trade practices". The penalty amounts to seven per cent of the average annual turnover of ₹9,006 crore over the last three years. CCI ordered DLF to desist from "unfair conditions" in its agreements with buyers in Gurgaon.

It's chips down for the famed Hewlett-Packard. The largest technology company by revenue will no longer make smartphones and tablet computers, and will spin off the personal computer business. CEO Leo Apotheker feels HP cannot cater to both consumers and corporations. HP will continue to sell servers and other equipment to business customers. The revamp will cost an estimated \$1 billion. But the news cost HP \$16 billion in market-cap, as shareholders gave a thumbs-down to Apotheker's decision and his vague comments.

Google is acquiring Motorola's cellphone business, Motorola Mobility Holdings, for \$12.5 billion. Motorola makes phones that run on Google's Android operating system. Armed with this purchase, Google will take Apple head on in mobile telephony.

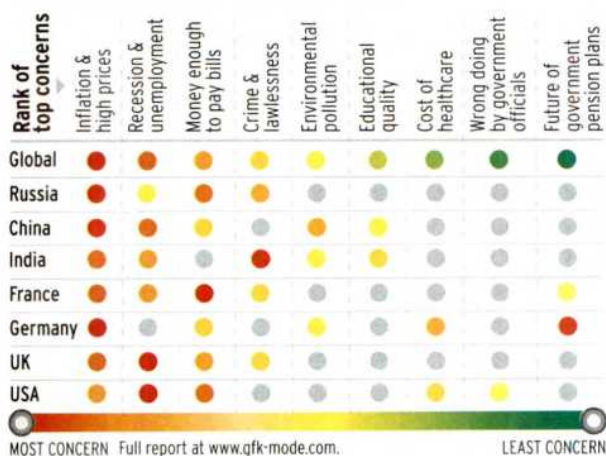


Charismatic Apple CEO Steve Jobs has resigned. Chief Operating Officer Tim Cook will be his successor. Jobs will now be the chairman of Apple's board. Cook has handled Apple affairs earlier on three occasions when Jobs took medical leave in 2004, 2009 and in early 2011. Cook has to keep the popularity of iPhone, iPad, and other products going with new innovations.

Economy

Mood of the World

Indians worry about crime as consumers across the globe are more worried about inflation and unemployment.



The government will not sell shares in the companies it owns until market conditions are favourable, says Finance Minister Pranab Mukherjee. **At stake is its earlier plan to raise ₹40,000 crore** in the current financial year by such share sales. So far, it has raised ₹1,162 crore by selling a five per cent slice in Power Fin Corp. The decision will affect the plans of Hindustan Copper and Steel Authority of India. Oil and Natural Gas Corp has already had to postpone its follow-on public offer three times. Cash-rich domestic institutional investors are stocking up on blue chips and mid-cap stocks. Mutual funds have bought shares worth ₹1,584 crore in August.

Food inflation rose to 9.8 per cent for the week ended August 13, on the back of dearer onions and fruits. **Seeing a different picture, Prime Minister Manmohan Singh** had expressed confidence that headline inflation would come down to six per cent by the year-end.

Aa3

Downgrade of Japan's credit rating by Moody's. The rating agency has blamed Japan's large budget deficits and debt since the 2009 global recession. Tokyo promptly announced a \$100 billion credit facility to deal with the rise in yen and help exports.

Markets

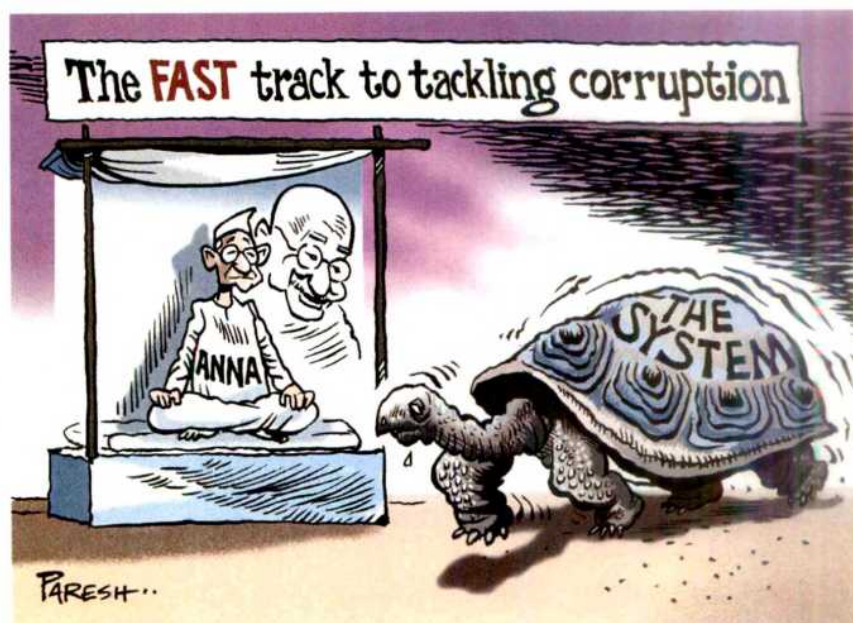
In a fortnight of twists and turns, **Coal India had briefly topped Reliance Industries as the country's most valuable company** in terms of market capitalisation. Another public sector major, Oil and Natural Gas Corp, had also pipped Mukesh Ambani-led Reliance to occupy the second slot. But at the time of going to press, RIL, which has topped the market valuation charts for over four years, had retained its numero uno slot.

Teaser loans are back again. First off the block, **ICICI Bank is offering home loans with a choice of fixed rate** for either one or two years, at differential rates for various slabs. Under the two-year offer, the rate will be 10.75 per cent for loans up to ₹25 lakh. Separately, Finance Minister Pranab Mukherjee has asked the government-owned banks to refrain from increasing the equated monthly instalments to help borrowers.

Coming Up

■ Come October, the dream of watching a Formula 1 race in India will become a reality. Bharti Airtel has bagged the title sponsorship of the Grand Prix. The 3.19-mile track in Greater Noida is all spruced up and geared for spectators, and 30 per cent of them expected to land from overseas, according to Formula 1 Group CEO Bernie Ecclestone. Let the race begin.

■ The auction world is gearing up for the sale of actor Richard Gere's collection of 110 guitars in New York on October 11. The proceeds will be spent on humanitarian causes around the world.



SONY
make.believe

The rebirth. LED TV

X-Reality high-performance picture technology revolutionises the performance of LED TV, so you get the most vivid colour, highest contrast & finest detail. With X-Reality, Sony LED TV is reborn with a new life that will turn entertainment into excitement.

LED BRAVIA

EX520 SERIES

- 46 (117 cms) • 40 (102 cms)
- 32 (81 cms)



Edge LED Picture Engine
X-Reality



Range starts from Rs. 47,900/-

EX420 SERIES

- 32 (81 cms) • 26 (66 cms)
- 22 (56 cms)



Edge LED Picture Engine
X-Reality



Range starts from Rs. 20,900/-

EX720 SERIES

- 55 (140 cms) • 46 (117 cms)
- 40 (102 cms) • 32 (81 cms)

Edge LED Picture Engine
X-Reality



Range starts from Rs. 59,900/-

LCD BRAVIA

BX320 SERIES

- 32 (81 cms)
- 26 (66 cms)
- 22 (56 cms)



BE-3
BRAVIA ENGINE



Range starts from Rs. 15,900/-

BX420 SERIES

- 40 (102 cms)



BE-3
BRAVIA ENGINE



MRP Rs. 53,900/-

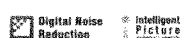
CX320 SERIES

- 32 (81 cms)
- 26 (66 cms)
- 22 (56 cms)



BE-3
BRAVIA ENGINE

LIGHT SENSOR



Range starts from Rs. 16,900/-

CX420 SERIES

- 40 (102 cms)
- 32 (81 cms)

BE-3
BRAVIA ENGINE

LIGHT SENSOR



Range starts from Rs. 22,900/-

Special Finance Offer* on BRAVIA

Finance with Zero Processing Fees through:

BAJAJ FINSERV LENDING

10/2 12/4 18/4

No Processing Fees* No Interest Cost*

*Contact Finance Co./Banks for coverage /network area.

*Conditions apply. Finance at the sole discretion of the financier. MRP inclusive of all taxes. Quoted MRP is for 1 unit of the product.

Attractive EMI Offers* on Select Credit C



BRAVIA

Powered by
Picture Engine
X-Reality



3D LED BRAVIA



NX720 SERIES

Monolithic Design

• 46 (117 cms) • 40 (102 cms)

Dynamic Edge

LED

Picture Engine

X-Reality



HX925 SERIES

Monolithic Design

• 55 (140 cms) • 46 (117 cms)

Intelligent Peak

LED

Picture Engine

X-Reality PRO



skype WEB YouTube
Browser

s. 57,900/-

skype WEB YouTube
Browser

Range starts from Rs. 93,900/-

Bunchin Stand sold separately

skype WEB YouTube
Browser

Range starts from Rs. 203,900/-

Bunchin Stand sold separately

LCD BRAVIA

CX32D SERIES

• 32 (81 cms)

BE3
BRAVIA ENGINE

Built-in
DVD
Player



FM Radio

s. 37,900/-

40W

Digital Noise
Reduction

Intelligent
Picture

USB

FM Radio

MRP Rs. 40,900/-

NX520 SERIES

• 40 (102 cms)
• 32 (81 cms)

Monolithic
Design

BE3
BRAVIA ENGINE



Full HD
1080

Digital Noise
Reduction

Intelligent
Picture

USB

FM Radio

Range starts from Rs. 40,900/-

CX520 SERIES

• 46 (117 cms)

Picture Engine
X-Reality



Full HD
1080

f

skype

WEB

YouTube

MRP Rs. 73,900/-

To locate nearest dealer: SMS** <BRAVIA> space
<LOCATION/PIN CODE> to 53636 or visit
www.sony.co.in/dealerlocator

**Standard short code SMS rates will apply.

For sales and service queries, call 1800-103-7799
(Toll free from all landline & mobile phones)

E-mail us at sonyindia.care@ap.sony.com

www.sony.co.in

FOCUS

18 Turn of the Tablet
20 Gold: Touch-me-not
26 On Greasy Ground
28 Bottoms Up

In the Interest of Inflation

Voices questioning the efficacy of tight monetary policies emerge as another rate hike looms. By SANJIV SHANKARAN

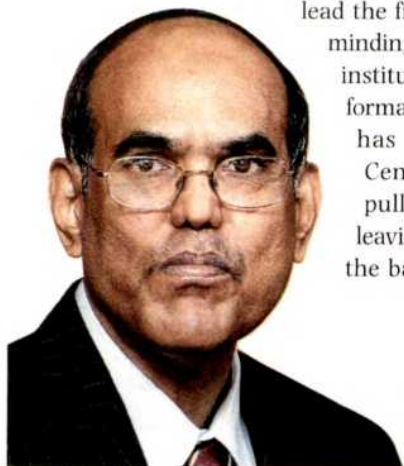
In December 2009, alarm bells rang when headline inflation, based on the wholesale price index, or WPI, touched 7.15 per cent. It was way above the Reserve Bank of India's comfort level of 4 to 4.5 per cent. Since then, there has been no going back. In July this year, inflation was 9.2 per cent and RBI expects it to rise for a while longer. The policy response to this macroeconomic challenge before India has had fascinating sub-plots.

RBI has emphatically staked its claim to lead the fight against inflation by reminding everyone that it is the only institution in the country with a formal mandate to deal with it. It has also pointed out that the Central government has not pulled its weight in the battle, leaving the central bank to carry the ball. The result has been 11

policy rate increases since March 2010, and a strong chance of one more on September 16, when the next policy announcement is due. Deutsche Bank economists Taimur Baig and Kaushik Das, who wrote a report in August after a meeting with the central bank, are among a growing band of analysts who have concluded another interest rate hike is around the corner.

RBI's strategy to tame inflation has been by pulling back demand in the economy through the repo rate, or the rate at which RBI lends money to banks. An increase in the repo rate gradually translates into higher market rates of interest for car and home loans, which act as a drag on demand. Since March 2010, the repo rate has gone up from five per cent to eight per cent. These measures were expected to slow the rate of increase in the general price level in India. That has not happened so far.

So, is the interest rate, RBI's chosen tool to



"RBI needs to balance between growth, price stability and financial stability"

D. Subbarao, RBI Governor, in August 2010



"Expect inflation to be distinctly lower by the end of 2011"

Kaushik Basu, Chief Economic Advisor, in Sept. 2010 (Inflation was at 8.62 per cent)



"Expect inflation around 6.5 per cent by the end of 2011"

Pranab Mukherjee, Finance Minister, in January 2011



"Inflation would come down to 5.5 per cent by March 2011"

C. Rangarajan, Head, PM's Economic Advisory Council, in December 2010

pull back demand, the best option in the current circumstances? Even if it is not, there have been no loud dissenting voices.

In August, Kaushik Basu, Chief Economic Advisor in the Ministry of Finance, in a working paper uploaded on the ministry's web site made a nuanced argument on interest rates and inflation which, in a circuitous way, raised questions on RBI's approach. The paper carried a disclaimer that the views in it were personal.

The crux of Basu's analysis was that increasing rates when there is a shortage of liquidity, or credit supply, in the system will lead to higher costs all around without really making a dent in inflation. Basu concluded that curbing demand was the right strategy, but interest rates should be used only in the right context. His paper drew attention to details that needed to be understood before using interest rate as a tool to deal with inflation.

Basu did not offer an opinion on RBI's current policy stance. Besides, the paper was ambiguous about the timing of a tight monetary policy. RBI's early interest increases in 2010 came when the unexpectedly high bidding in 3G auctions led to a surge in demand for liquidity. Did some of RBI's interest hikes last year take

place in a situation of liquidity deficit? "The answer is we do not know," Basu concluded.

Separately, in a recent study on inflation, Mumbai University's Neeraj Hatekar, Ashutosh Sharma and Savita Kulkarni concluded that restrictive monetary policy might be of limited relevance in controlling non-food inflation.

Interest rates play more than one role in fighting inflation. One of RBI's toughest challenges is to deal with a fuzzy thing called inflationary expectations. Consumers' expectations of inflation can be self-fulfilling, and when expectations are high, the economy is in trouble.

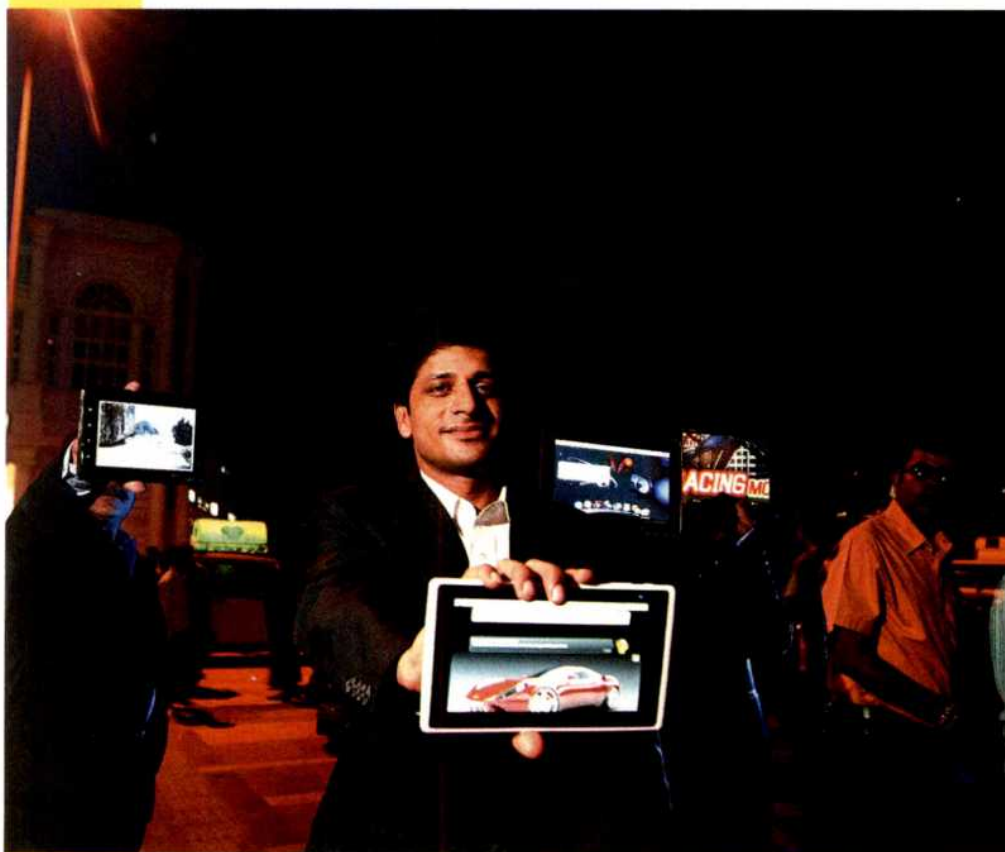
The interest rate is the only real tool RBI has in reining in expectations and one it has used like a sledgehammer since May to signal its commitment to price stability.

"There's a clear link between expectations and interest rate," says D.K. Joshi, Chief Economist at rating agency CRISIL, the Indian arm of Standard & Poor's. "You have to raise interest rate, that's what anchors expectations."

Regardless of the liquidity situation in the economy, then, a few doses of interest rate increases are the only way RBI could have signalled its commitment to price stability.

Turn of the Tab

Indian tablet manufacturers hope to repeat the success of mobile handset-maker counterparts. By SUNNY SEN



"At ₹6,000-7,000, our products will have a much multiplier effect"

Mahendra Ku

When Mahendra Kumar Jain first thought of manufacturing a touch screen device four years ago, the word 'tablet' had only one meaning – it was something the doctor prescribed. He wanted to be in the infotainment device segment, and the touch screen seemed just the right device to make. However, by the time he unveiled his device in mid-August this year, an enormous change had occurred: the tablet had become the gadget of desire for the well-heeled. So much that in the April to June quarter Apple's iPad

grew at 183 per cent year on year. The global PC industry grew 2.6 per cent. Apple sold 9.25 million iPads in the first quarter. In India, the last of the major global tablet makers, the iPad, already has six to seven competitors, including Samsung's Galaxy Tab, Acer's Iconia, and In Motion's PlayBook, apart from the LACS.

Yet, Jain, Managing Director of LACS, based in Laxmi Access Communications, or LACS, fancies his chances. His cheapest tablet costs ₹4,500, rising up to ₹36,000 for more expensive models.

THE FABER-CASTELL DESIGN COLLECTION
THE WORLD'S MOST REVOLUTIONARY DESIGNS,
CAPTURED BY 250 YEARS OF GERMAN EXPERTISE



THE ONDORO SERIES IS INSPIRED BY THE HEXAGON, NATURE'S MOST FLAWLESS SHAPE. What makes the honeycomb, a turtle shell or a delicate snowflake a design marvel? It is the hexagonal shape. 250 years of German expertise took the nature's most flawless shape and created the Ondoro series. Where the hexagonal barrel, just like nature's most efficient creations is light and perfectly balanced. Made of gleaming black or white precious resin, framed by chrome-plated metal and filled with smudge-resistant ink, it does not roll and sits comfortably in hand as you scribble the evening away. Making writing a truly pleasurable experience.



FABER-CASTELL

since 1761

Showcased at select outlets of Shoppers Stop, Reliance Time Out, Just In Vogue, William Penn, Landmark, StarMark, Crossword, Makoba and WH Smit. For Bulk / Corporate orders contact, Hiren Rathod 91677 30540, Hussain Plumber +91-22-6772 9100, E-mail: premium@faber-castell.co. For other sales enquiries: DELHI NCR Gagan Batra 98102 86229 • MUMBAI Anshul Bolia 93249 66358 / +91-22-2841 5555 • AHMEDABAD Nilesh Vasa 98250 67010 • KOLKATA Rajiv Punjabi 98300 27452 • BENGALURU Abhijit Gaundolkar 93221 20109 • HYDERABAD Divakar Gaikwad 92461 756



THE FABER-CASTELL DESIGN COLLECTION
THE WORLD'S MOST REVOLUTIONARY DESIGNS,
CAPTURED BY 250 YEARS OF GERMAN EXPERTISE



THE E-MOTION SERIES IS INSPIRED BY THE BULBOUS BOW OF SHIPS

...ent of ocean liners and submarines through water was made smoother and faster by the bulbous bow. ...f German expertise took this engineering masterpiece and created the E-Motion series. Its bulbous barrel ...n superior resin reduces the drag in writing and makes it smooth and tireless. Whether you choose the ...codile or parquet pattern or the clean lines of the rhombus pattern, the smoothness flows on and on.


FABER-CASTELL
since 1761

...lect outlets of Shoppers Stop, Reliance Time Out, Just In Vogue, William Penn, Landmark, StarMark, Crossword, Makoba and WH Smith.
...porate orders contact, Hiren Rathod 91677 30540, Hussain Plumber +91-22-6772 9100, E-mail: premium@faber-castell.co.in
...enquiries: DELHI NCR Gagan Batra 98102 86229 • MUMBAI Anshul Bolia 93249 66358 / +91-22-2841 5555 • AHMEDABAD Nilesh Vasani
...KOLKATA Rajiv Punjabi 98300 27452 • BENGALURU Abhijit Gaundolkar 93221 20109 • HYDERABAD Divakar Gaikwad 92461 75616
...in 90435 19788, Mathew 98417 62077

Model showcased is E-Motion Cross



BEETEL TABLET: Magiq
OPERATING SYSTEM:
Android
SCREEN: 7"
PRICE: ₹9,999

The iPad costs ₹28,000, the Galaxy Tab ₹26,000 and the PlayBook ₹27,000.

LACS, which was so far into information technology distribution and manufacture of coated paper, is not the first Indian company to try and crack open this market by offering tablets cheap. Reliance Communication has come out with its own at ₹12,000 and Beetel, a Bharti company, has launched one for ₹9,999. Around six months back, HCL Infosystems also came out with a range of India-made tablets, priced at ₹12,000 onwards.

Will tablets follow the mobile handset pattern? Long dominated by multinationals like Nokia, Samsung and Motorola, and later raided by RIM's BlackBerry, Apple's iPhone, and various HTC models, this market was turned on its head by a clutch of Indian manufacturers who based their operations in countries like China and Taiwan, and pulled off a coup. As the market share of the Indian manufacturers, led by Micromax, Lava and Spice, climbed from zero in 2008 to more than 20 per cent in 2010, market leader Nokia lost ground, with its share falling from 46 per cent to 35 per cent in the same period.

What gave Indian companies the

Olive Pad
OPERATING SYSTEM:
Android
SCREEN: 7"
PRICE: ₹15,990



edge was a rich list of features and long battery life for their products, and low prices.

Should we brace for an encore in tablets? "The tablet market is clearly going the mobile handset way," says Naveen Mishra, lead telecom analyst at Cyber Media Research. He believes the market adoption of Indian tablets will speed up once Broadband Wireless Access takes off. Tablets are all about use of data on the move. The tablet market is at 100,000 pieces a year and expected to grow at 35 per cent, say current estimates. "Beetel is trying to break the afford-



LACS Tablet
OPERATING SYSTEM:
Android and Windows
SCREEN: 4.3" to 10.9"
PRICE: \$99 to \$799

ability barrier."

says Vinod Sawhny, Executive Director and Chief Executive Officer, Beetel Teletech. Jain of LACS

is trying to do exactly the same, and more forcefully. He believes that many people in India aspire to owning a tablet – make it more affordable and they will come in droves. "At ₹6,000-7,000, our products will have a much larger multiplier effect," says Jain. More so because he has tied up with finance companies, so customers can buy his tablet on a 12-month instalment scheme.

Sawhny and Jain both believe that there is a large untapped market in the rural and semi-urban space. The lowering of the entry price, therefore, would be critical, as will be the world of applications that these companies can open up to the user.

They had better hurry, because Micromax and Lava are getting ready to launch their tablets, too.

Will Gold Touch ₹40,000?

Worsening global economic outlook is driving gold prices to record highs. By RAJIV BHUVA

WORDSMITH (NEW WORDS IN BUSINESS)



Triangulate

What it means:

The involvement of a third party or person to understand, negotiate or explore business opportunities.

Origin:

Although existing in mathematics since the late 1760s, triangulate has been included in business equations in the last decade.

Usage:

"We will triangulate on your proposal next week."

On August 22, the spot price of gold touched an all-time high at \$1,911 per ounce (28.35 gm) in international markets, having increased by nearly \$400 since the beginning of July. And if global banks and analysts are to be believed, by the end of this year prices could be in the range of \$2,000 to \$2,400, and possibly even touch \$4,000 over the next few years.

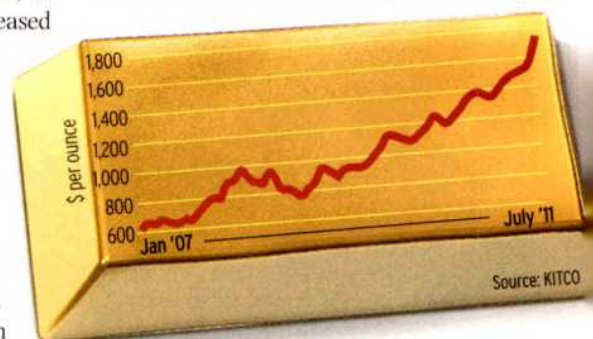
Closer home, Infosys Chief Financial Officer and Director V. Balakrishnan expects gold to touch ₹40,000 per 10 gm in the near future. With uncertainty in equity markets globally and poor visibility on when the US economy and its developed counterparts in Europe will turn around, capital will flow towards relatively risk-free avenues like government bonds and gold, he says.

These projections stem from the widespread pessimism about the global economic outlook. "Financial markets will be vulnerable to recurring bouts of risk aversion for the next few years as governments in the US and Europe struggle to bring down debt to more sustainable levels," says Deutsche Bank in a recent commodity research report. There will be more long-term concerns if the US is unable to regain its AAA sovereign credit rating. "At the margin, this would reduce the appeal of US treasuries as a diversification asset while enhancing gold," the Deutsche Bank report adds.

Bank of America Merrill Lynch, or BofA, reckons the downgrade of the US will further fuel conditions – low growth, low interest rates, and high liquidity – which will pave the way for a gold price rally. "It will probably increase the pressure on central banks in emerging markets to diversify their international reserves out of the US dollar and into gold," BofA says in a

At its Brightest

The downturn has sent gold prices soaring



research note. Both Deutsche Bank and BofA see prices at \$2,000 over the next few months. Already, central banks in South Korea, Mexico, Russia and Thailand have been busy buying gold.

The bull run in bullion is also fuelling nervousness. "We continue to caution that gold is richly priced and that on a 12-month horizon the risks to the downside exceed those to the upside," says Nick Moore, Royal Bank of Scotland's London-based Head of Commodity Strategy, in a recent report.

According to the World Gold Council's Gold Demand Trend data for the quarter ended June, investment in gold bars and coins and in jewellery grew nine per cent and 12 per cent, respectively, year on year. "Traditionally, rapid price rises such as those seen in August would have a negative effect on demand in price-sensitive markets like India," adds Moore.

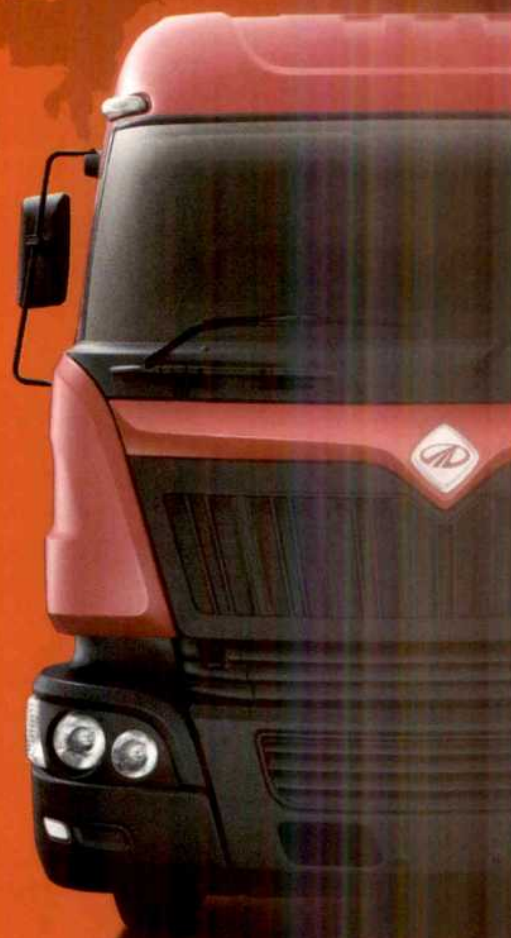
So, will gold touch ₹40,000 in India? The country, the world's largest gold consumer, has yet to buy in bulk, as its two-month-long festival season begins only in late September. Besides, there are no indications yet that the global outlook might not worsen further.

Mahindra
NAVISTAR

751 SERVICE POINTS.* FOR SERVICE AT ANY POINT.

THE MAHINDRA NAVISTAR SERVICE NETWORK.

Trucks that outperform need to be backed by service that outperforms. Just why a nationwide service network was put in place even before the Mahindra Navistar trucks rolled out. Just in case you need help, it will be just minutes away.



* No. of service network points currently and growing by the day

35 NEW HCV DEALERS
22 LCV DEALERS
220 AUTHORISED SERVICE CENTRES
474 ROAD SIDE ASSISTANCE POINTS

Call: 020-2747 3600, 1800-200-3600 (TOLL FREE), Now-24x7 Expert On Call.
SMS 'MNAL' 57575. Customer care: now24x7@mahindranavistar.com.


now
1800-200-3600 / 020-27473600
24X7 EXPERT ON CALL

WILL A SELECTIVE HIKE IN DIESEL PRICES FOR CAR OWNERS BE FEASIBLE?



Results of BT online poll;
No. of respondents: 143

An overwhelming majority of respondents has answered in the negative. This is hardly surprising, considering the absurdity and impracticality of differential pricing of diesel for car owners. In the case of kerosene, dual pricing mechanism has been a major cause of corruption and leakage in the public distribution system. With diesel, too, dual pricing will line the pockets of fuel retailers and others at the expense of car owners and the government. A better way to regulate the subsidy on diesel will be to decontrol it, and compensate targeted beneficiaries with direct cash transfers.

Next poll question:
Can the new management revive Air India?

Log on to
www.businesstoday.in

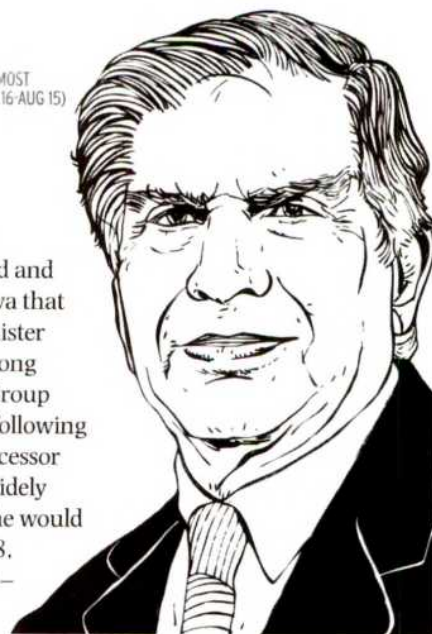
BT-CARMA

CEO WATCH INDIA'S AND THE WORLD'S MOST TALKED-ABOUT CEOs (JULY 16-AUG 15)

Ratan Tata

Rata Tata was the most talked-about CEO in August. Insinuations by the 2G scam accused and Swan Telecom promoter Shahid Usman Balwa that the Tata Group had paid former Telecom Minister A. Raja ₹20 crore in kickbacks and Tata's strong denials were extensively reported. The Tata Group chairman also received favourable coverage following the announcement by the group that his successor would be named by the year-end. Tata was widely praised for his achievements and the legacy he would leave behind when he retires on December 28, 2012. His meeting with the finance minister – along with other business leaders – to discuss economic policy also made headlines.

Sharad Kumar of Kalaigmar TV and Kalanithi Maran of Sun TV [two of the 2G scam accused] received the maximum negative media coverage.



RAJAT BARAN

TOP 10 INDIAN CEOs



Anil Ambani



Mukesh Ambani

Rank	CEO/Company	No. of Stories	
1	Ratan Tata/Tata Group	51	▲
2	Anil Ambani/ADAG	38	▲
3	Mukesh Ambani/Reliance Industries	37	▼
4	S. Gopalakrishnan/Infosys	15	▲
5	Kalanithi Maran/Sun TV	14	NEW
6	Pratip Chaudhuri/SBI	13	NEW
7	Ashok Soota/MindTree	10	NEW
8	N. Chandrasekaran/TCS	9	NEW
9	Sharad Kumar/Kalaigmar TV	9	▼
10	Rajiv Bajaj/Bajaj Auto	8	NEW

TOP 10 GLOBAL CEOs



Warren Buffett



Rupert Murdoch

Rank	CEO/Company	No. of Stories	
1	Warren Buffett/Berkshire Hathaway	58	▲
2	Rupert Murdoch/News Corp	52	▼
3	Stuart Gulliver/HSBC	29	NEW
4	Jurgen Grossmann/RWE	18	NEW
5	Irene Rosenfeld/Kraft Foods	16	NEW
6	Tom Albanese/Rio Tinto	14	NEW
7	Steve Jobs/Apple	14	NEW
8	Bob Diamond/Barclays	12	NEW
9	Sergio Marchionne/Fiat	11	NEW
10	Josef Ackermann/Deutsche Bank	10	▼

Give the rains a royal welcome



THE LEELA PALACE

UDAIPUR

Monsoon Escapes

Valid through 30th September 2011

Lake View Room	INR 18,500*
Heritage View Room	INR 20,500*

Enjoy a complimentary third night when you stay a minimum of two nights.

*Rates are per night, double occupancy, exclusive of taxes; some conditions may apply.

For reservations call 1800-222-444 (MTNL & BSNL), 6000 2233 (others), contact us by e-mail at central.reservations@theleela.com or visit our website at www.theleela.com.



BMB INDIA

THE TOP 10 Most Watched Ads

July 2011

NokiaC2-00

GRPs
1,296

1
Rank



Seconds on air: 3,84,695

Colgate Sensitive Pro-relief

GRPs
918

2



Seconds on air: 3,83,295

Idea 3G

GRPs
911



Seconds on air: 5,39,885

Vodafone Cellular Phone Service

GRPs
828

4



Seconds on air: 4,10,270

Dettol Toilet Soap

GRPs
796



Seconds on air: 3,64,755

Cadbury's 5 Star

GRPs
712

6



Seconds on air: 3,15,950

Complan

GRPs
658



Seconds on air: 1,96,310

Dove Cream Bathing Bar

GRPs
647

8



Seconds on air: 2,76,530

Horlicks

GRPs
628



Seconds on air: 70,480

Lifebuoy Liquid

GRPs
622

10



Seconds on air: 1,81,800

The telecom industry seems to be on steroids with 3G. The latest evidence is the Idea ad that suggests ingenious ways to check population growth. The zany thought in the Idea Cellular's 'Aabadi Hai Barbadi' ad is in line with the brand's earlier ads on issues such as environment and caste. The ad has vaulted to the No 3 spot on our Top 10 list. This appears to be a veritable telecom season with Nokia and Vodafone also featuring in the list.

COMPILED BY SHAMNI PANDE

... THE OTHER 15

RANK/BRAND	GRPs
11 Ariel Oxyblu	613
12 Horlicks Junior	604
13 Vivel Satin Soft	601
14 Santoor Sandal	543
15 Complan Nutri-Gro	541
16 L'Oreal Total Repair 5	534
17 Maggi Vege Atta Noodles	534
18 Standard Furukawa Sonic	484
19 Dove Hair Fall Rescue	484
20 Maruti Suzuki Alto	481
21 Pepsodent Germicheck Magnets	475
22 All Out Liquidator	460
23 Garnier Fructis Long & Strong	443
24 Brooke Bond Red Label	435
25 Colgate Dental Cream	434

All India CS 4+Yrs; GRP normalised to 30 secs
To see ad duration, visit www.businessday.in
Source: TAM Peplimeter System

— ✂ —
*How are you going to return all the
sleepless nights someone spent on a presentation?*

— ✂ —
Hardwork deserves a return gift. Make it a Sheaffer.



SHEAFFER

The gift that matters

Featured here, the Sheaffer Legacy in black lacquer, with a 22K gold plate trim and a polished palladium plate cap. A gift for all occasions.

WILLIAM PENN

THE WORLD PEN STORE

Mumbai: Grand Galleria, High Street Phoenix Ph: 40041252 | Inorbit Mall, Malad Ph: 28785818 | Inorbit Mall, Vashi Ph: 40131495 • Bangalore: The Forum Mall Ph: 32721999 | Garuda Mall, Magrath Road Ph: 41127993 | Koramangala Store Ph: 40535555 | Mantri Square Ph: 22667315 • Chennai: Express Avenue Ph: 28464018 | Delhi: Select CITYWALK Ph: 40534512 • Pune: Inorbit Mall Ph: 66141779 • Airport Stores: Delhi | Mumbai | Hyderabad | Bangalore • For corporate enquiries, call Bangalore: 09845987272 | Delhi: 09310164936 | Mumbai: 09167210170 | Hyderabad: 09963426632 | Kerala: 08129437383 | Kolkata: 09903032137 | Chennai: 09962085085
Shop Online: www.williampenn.net | info@williampenn.net | www.facebook.com/WilliamPennStores

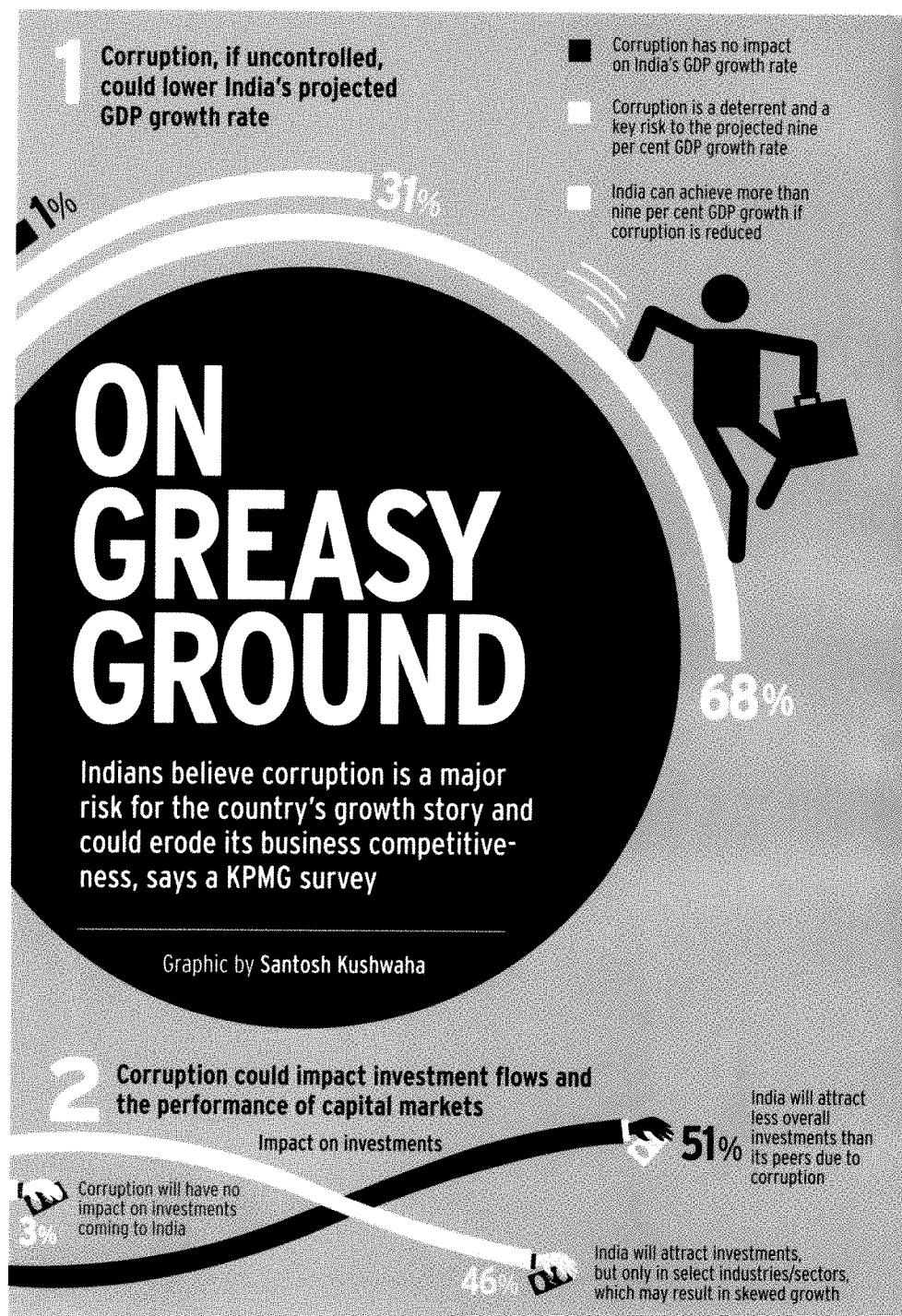
BT RETRO

(NOVEMBER 5, 2006)

Sun Shines Again?

THEN: It incurred a loss of \$864 million (₹3,802 crore) on sales of \$13.06 billion (₹57,464 crore) last year; yet Dennis Heraud, President (Asia Pacific), Sun Microsystems, remains unperturbed. After being hemmed in by Linux at the top-end and a Dell-Intel combination in the entry-level server market, Sun is back on the growth path again. Heraud makes it clear that Sun will never be a distribution or a systems integration kind of company. "That is why we invested in R&D. We are now getting the pay-off. Our new products, like Solaris 10, Niagara range of T 1,000 and T 2,000 servers, have been very well received by the market. We have also expanded our share of the server market in the Asia Pacific region," says Heraud. The ₹1,400-crore Sun Microsystems India (the company refuses to share revenues by geography) has designated India as a geographically established market. Says Heraud: "With the telecom, banking, retail, financial services and insurance sectors booming, India was a fast-growing market for us last year and I expect it to do even better this year."

NOW: Oracle acquired Sun Microsystems in January 2010 and has been embroiled in a \$2.6 million lawsuit Sun filed against Google for patent and copyright infringement over use of Java in Android. Google maintains that its 2006 partnership with Sun was to jointly build Android, and was not a patent licensing agreement.



5 STEPS TO HERE

MAHINDRA SATYAM'S TAX WOES

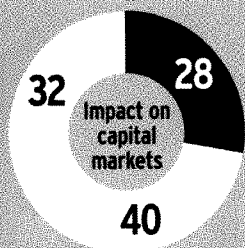
December 2010

I-T authorities order a tax audit of Mahindra Satyam for assessment years 2003/04 to 2008/09.



March 22, 2011

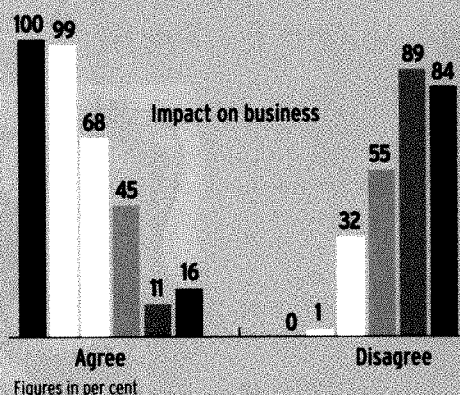
I-T authorities attach Satyam's bank accounts after it fails to pay a tax demand of ₹617 crore.



- Corruption aids in artificially inflating share prices
- Corruption prevents long-term investing in the capital markets
- Corruption increases volatility in the stock market

Figures in per cent

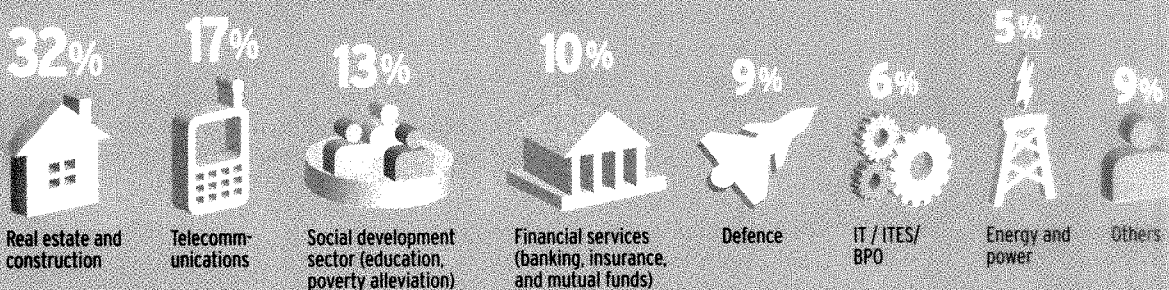
3 Graft impacts businesses by skewing the level playing field; often, the culprit is the private sector



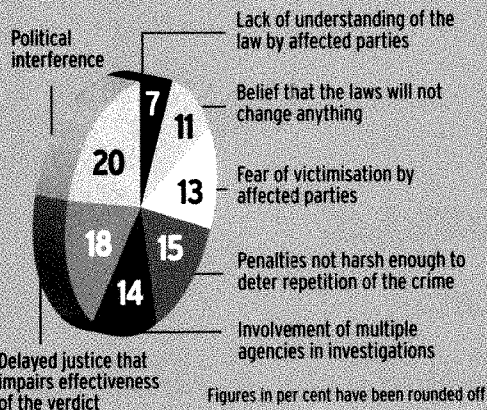
- Corruption skews the level playing field, tends to attract less-capable firms
- Corruption creates inefficiency in the system, increasing cost of operations
- In many cases, private sector is responsible for corruption
- Corruption has reduced your company's growth
- Corruption has reduced your ability to access domestic funds
- Corruption reduces your ability to access funds from overseas financial markets

Figures in per cent

4 Real estate and telecom sectors are more prone to corruption than others

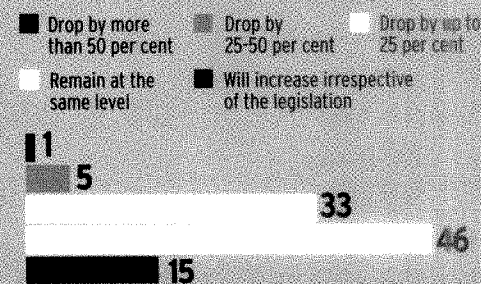


5 Political interference and delayed justice are the biggest hurdles in combating corruption



Figures in per cent have been rounded off

6 As a result, the current and impending laws may not make any difference to corruption



Figures in per cent

March 30, 2011

The Andhra HC freezes the accounts, directs Satyam to deposit ₹350 crore with CBDT and give it a bank guarantee of ₹267 crore.

April 15, 2011

The Supreme Court orders Satyam to file a tax review plea before CBDT and issue it a bank guarantee of ₹ 617 crore.

August 22, 2011

IT authorities now ask Mahindra Satyam to pay ₹2,113.42 crore as outstanding taxes for financial years 2002/03 and 2007/08.

ANAMIKA SUKLA

QUIRKY



Image Conscious

Infosys founder N.R. Narayana Murthy recently said one of the key lessons he learnt about business was the importance of creating an image for one's company. This led him to invest in setting up "sprawling, world-class campuses". The aim, he said, was to build one's headquarters bigger than that of any other company's in India, so that it conveyed a sense of perceived achievement that would make global customers feel they were in a global office.

SNOOT CORNER

Bottoms Up

What sort of receptacle should you drink your beer out of? Some bars take pride in providing a range of them, with glassware from Germany being the most popular. The Bierkrug, the ordinary 'beer mug', has incidents on it, which were made to hold it easily before some genius thought of adding a handle. The beer stein has gained popularity thanks to Oktoberfest souvenirs. There are also 'pony glasses' with a capacity of only 140 ml.

HOW THINGS WORK

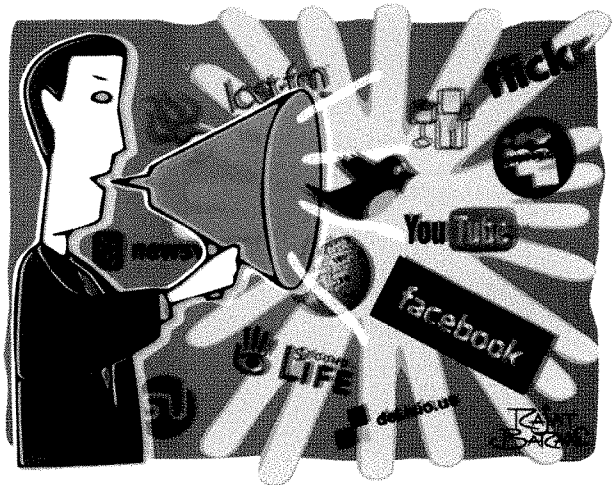
Facebooking for Profit

Anand Mahindra's tweet supporting Anna Hazare's campaign has been much discussed. It can be a useful platform for companies to build brand image, talk about its CSR activities and support social causes. Here are some tips on starting out.

WHY? Companies should be very clear about why they are going on social networking sites. Whether it is simply to seek publicity without spending more on advertising, or to start interactive communication with consumers, it is important to state the reasons.

WHAT FOR? The goal defines what the company should do on the site, whether it is scouting for fresh talent, looking to market new products, or networking with like-minded businesses.

FOR WHOM? A good strategy can go wrong if a company does not know its target audience. It should identify the social networking web site that caters to the largest percentage of its target group and get on board. (See also *Cooling Virtual Tempers*, Page 156)



JUST WONDERING

80 Years Too Late

Narkhed and Amravati towns in Maharashtra's orange belt have waited for more than 80 years to be linked by rail. The 140-km track was first sanctioned in 1928 under the British, but stayed on the backburner. The project was revived only in 1993/94 and a budget of ₹284 crore approved. The then Prime Minister P.V. Narasimha Rao laid the foundation stone. But protests by the Shiv Sena, which opposed the displacement of people, stalled the project for many more years. In September 2008, when President Pratibha Patil inaugurated the new Amravati model railway station, it seemed as if the project would be completed soon. Far from it. In November 2009, the Railway Ministry announced the link would be inaugurated in December 2010. But in January 2011, the deadline was pushed to October. Initially trains on this route will have to run on diesel locomotives as the link is yet to be electrified. Wonder how long that will take?

COMPILED BY ANAMIKA BUTALIA



RADO
SWITZERLAND
Unlimited Spirit

RADO STORES: **NEW DELHI:** Connaught Place, Ph: 43575253. **NOIDA:** Great India Place Mall, Ph: 4210121. **GURGAON:** Ambience Mall, Ph: 4665607. **KOLKATA:** Forum Mall, Ph: 22814466; Mani Square Mall, Ph: 40002954. **HYDERABAD:** Banjara Hills, Ph: 23420070. **MUMBAI:** Borivali (W), Ph: 28337244; CR2 Mall, Ph: 67439856. **COCHIN:** Oberon Mall, Ph: 4060336. **AHMEDABAD:** Navrangpura, Ph: 26442802. **CHENNAI:** Ampa Mall, Ph: 42613000; Express Avenue Mall, Ph: 28464224. **BANGALORE:** Mantri Square Mall, Ph: 30160121; The Collection, UB City, Ph: 40982107.



Making Markets Work for Green GDP and Sustainable Livelihoods

100th Annual General Meeting of ITC Limited
Kolkata, 29th July, 2011

Address by Chairman, Shri Y C Deveshwar

“ I have great pleasure in welcoming you today to the **100th Annual General Meeting** of your Company.

On this historic milestone, I would like to once again express my warmest greetings and thank you most sincerely for your sustained encouragement, faith and support. Your continued trust and goodwill provides us immense strength as we move ahead to an even more fulfilling future.

To commemorate this momentous occasion, the Board of your Company has recommended a Special Dividend of ₹ 1.65 per share in addition to a Dividend of ₹ 2.80 per share for the year ended 31st March, 2011. This recommendation once again acknowledges, with gratitude, your long-standing and continued support.

As in earlier years, I would like to first present to you the highlights of your Company's Triple Bottom Line performance during the year gone by.

TRIPLE BOTTOM LINE PERFORMANCE

(Figures in ₹ Crores)

ITC: Financial Highlights 1996-2011

	1996	2011
Gross Income	5,188	31,423
Profit After Tax	261	4,988
Return on Capital Employed (%)	28	43
Net Assets Employed	1,886	16,854
Net Worth	1,121	15,953
Market Capitalisation*	5,571	1,60,636

CAGR in Total Shareholder Returns in the period 1996-2011: 25.6%

*As at 22nd July, 2011

Your Company's progressive investments in multiple drivers of growth continued apace together with sustaining high quality top-line and earnings growth. Gross Income in the Centenary Year grew by 16.9% to over ₹ 31,400 crores. Pre-tax profits increased by nearly 21% to over ₹ 7,260 crores while Post-tax profits registered an increase of nearly 23%.



I draw deep satisfaction that your Company is today acknowledged as one of India's most valuable corporations. Market capitalisation, which stood at ₹ 5,570 crores in 1996, has multiplied 28-fold to cross ₹ 1,60,000 crores. Profitability measured in terms of Return on Capital Employed, also improved substantially from 28.4% to 43.4%. Total Shareholder Returns, measured in terms of increase in market capitalisation and dividends, have grown at a compound rate of 25.6% per annum during this period.

Even more significantly, your Company has demonstrated outstanding achievement in the environmental and social dimensions of the Triple Bottom Line. For the **9th year in a row**, your Company has sustained its **'water positive'** status, creating freshwater potential that is twice its consumption. For the **6th year in succession**, ITC is **'carbon positive'** sequestering twice its emissions. It has also been **'solid waste recycling positive'** for **4 years** now. As a result, your Company is the **only enterprise in the world** of comparable size to have achieved and sustained these three global environmental distinctions.

In addition, the inclusive strategy that defines your Company's innovative business models has also led to the creation of sustainable livelihood opportunities for over **5 million people**.

Today, it gives me immense pride to announce yet another global distinction achieved by your Company. I am delighted to place on record, at this historic Annual General Meeting, that this year, **all the luxury hotels of ITC** have been accorded the **LEED Platinum rating** under the aegis of

the US Green Building Council. This achievement makes ITC Hotels the **"greenest luxury hotel chain"** in the world and places your Company at the forefront of global environmental stewardship.

I will dwell further on the sustainability initiatives of your Company a little later as part and parcel of the subject of my address today, namely, **"Making Markets Work for Green GDP and Sustainable Livelihoods."**

ITC is 'carbon positive' for 6 years, 'water positive' for 9 years and 'solid waste recycling positive' for 4 years. ITC's businesses create sustainable livelihoods for over 5 million people.

TOWARDS SUSTAINABLE ECONOMIES: FOSTERING GREEN GDP AND INCLUSIVE GROWTH

There is an increasing realisation, the world over, that development in its truest sense can only take place when economic growth fosters social equity. For developing nations in particular, growth must translate into the creation of sustainable livelihoods and replenishment of scarce environmental resources. Therefore, a constructive public-private-people partnership for socially responsible growth is critically important and must also occupy a larger space in corporate strategy. Only then can we secure the future and leave a better tomorrow for the coming generations.

A few weeks ago, the Ministry of Corporate Affairs, Government of India unveiled the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business. The new guidelines build upon the Corporate Social Responsibility Voluntary Guidelines released in 2009 and reflect a conscious shift from what is generally termed as CSR to a more encompassing concept of "Responsible Business." The guidelines cover an extensive landscape and the Ministry must be lauded for this comprehensive effort. From the enunciation of basic

Principles to defining a broad set of Indicators for self-assessment, it also rightfully provides a Reporting framework for making disclosures to stakeholders. These guidelines indeed mark an important first step towards a movement for greater corporate contribution in creating societal welfare. Evidently, these recommendations have been inspired by a larger and urgent underlying concern.

It is now widely acknowledged that emerging nations like India will drive growth in world GDP in the years ahead. Indeed, there is already a major shift in the axis of economic power towards Asia as advanced nations grapple with the after-shocks of a deep recession. However, is this aspiration of emerging economies to grow at near double-digit rates a viable long-term proposition? Are the traditional factors of production and growth solely capable of delivering this high trajectory of growth, so critical to meet the growing needs of their massive population? Is there a larger lesson in the deep-rooted recession that overwhelmed the advanced nations and put the brakes on in their pace of progress?

There seems to be growing evidence that **limits to future growth will be defined more by vulnerabilities flowing from social inequities, environmental degradation, and climate change** than by any other economic factor. Admittedly, these are global challenges and a result of faulty economic growth models pursued over decades across the world. Yet, these concerns are very real today and going forward can seriously constrain the fulfillment of a nation's aspirations.

The impatience of civil society with economic models that have not delivered social equity is apparent in the growing intolerance for injustice, corruption, bad governance and uncaring corporate behaviour. Perhaps not without reason. The magnitude of social imbalances across the world is indeed alarming. Today, the richest 1% of adults control 43% of the world's assets. The bottom 50% has access to only 2% of world's assets. The UNDP Human Development Report 2010 says that around 1.75 billion people, living in as many as 104 countries, are in a state of "multi-dimensional poverty", a new indicator that reflects acute deprivation in health, education and standard of living. In addition, indiscriminate growth without environmental replenishment has destroyed a sizeable portion of the world's eco-systems. The spectre of climate change will inexorably aggravate these miseries even further. Its impact will also be the most severe on the world's poor, an overwhelming majority of whom live in developing countries and are dependent on agriculture for their livelihoods.

By 2030, a mere two decades from now, the world's population will have touched 8 billion. By that time, 3 billion people are estimated to live in areas of extreme water scarcity. The world will have to produce more food in the

“Limits to future growth will be defined more by vulnerabilities flowing from social inequities, environmental degradation, and climate change.”

next 20 years than it has produced in the last 3000 years to feed this large population. Energy needs will increase exponentially over this period with rising incomes and urbanisation. Clearly, a rising population of such magnitude will pose new challenges as the global demand for food, fuel, feed, and fibre increases with a consequent reduction in arable land

and water availability.

It is clear that we cannot address the challenges of tomorrow with the policies and strategies of yesterday. The global challenges of food, energy and water security, climate change and sustainable livelihood creation will need far more impactful and innovative solutions. **It is no longer a debate about making lifestyle choices, it is about finding life-changing solutions required for the world's poor and most vulnerable.**

Unfortunately, conventional methods of calculating economic growth, such as the GDP, does not take into account the costs on account of environmental depletion, degradation, or loss of biodiversity. It is said that what does not get measured does not get managed. As a result, economic growth mostly reflects the creation of material wealth, largely ignoring the environmental and social costs of that growth process.

The growing discourse on sustainability challenges has sparked a welcome attempt to recast traditional means of calculating economic growth. It is increasingly being felt that GDP calculations must now account for the cost of environmental degradation as well as its replenishment. This new approach, popularly known as the **Green GDP**,

is expected to reflect the true dimensions of economic growth. It will also provide policymakers as well as civil society a realistic assessment of issues that need to be addressed for a more sustainable growth of the economy.

India's sustainability challenges mirror the global challenges and are indeed even more daunting. The UNDP Human Development Report places India 119th out of 169 countries. It says that around 55% of the population suffers from widespread deprivation. Nearly 421 million live in multi-dimensional poverty. In addition, with nearly 17% of the world's population, India has just 1% of global forest resources and 4% of water. Already, half of the country's arable land is water-stressed. Climate change for the predominantly agri-based rural population means future loss of livelihoods apart from escalating the problem of food security. To compound matters, India will add another 500 million people by 2050. The pressure on limited resources will become even more acute.

It is abundantly clear that the challenge before India is to enlarge the size of its Green GDP while accelerating the creation of Sustainable Livelihoods. Long-term sustainability of growth of the Indian economy will depend on how effectively this twin task is achieved.

How do we therefore begin to engage on such a mammoth task? Surely, it is not a task that any segment of society can accomplish in isolation. Challenges of this magnitude can best be resolved through collective action by all stakeholders in an economy. It calls for multi-dimensional efforts on the

part of Government, Business and Civil Society – individually and collectively. The Government of India has already initiated some laudable efforts. The Missions launched under the National Action Plan on Climate Change, the initiative on Energy Certificates by the Bureau of Energy Efficiency, schemes like the Mahatma Gandhi National Rural Employment Guarantee Act and programmes such as the Bharat Nirman will undoubtedly contribute significantly to the goal of sustainable and inclusive growth.

THE CO-CREATION OF SOCIETAL VALUE: ROLE OF BUSINESS

It is, however, my belief that innovative energies of business can also be much better harnessed to deliver meaningful solutions in co-creating societal value. Businesses are represented in the frontline of economic activity with numerous touch points in society. Their physical presence in communities around their operations gives them an opportunity to directly engage in synergistic business activities that generate livelihoods and add to the preservation of natural capital. More importantly, they possess valuable managerial expertise to guide and implement projects of societal value and at far lower incremental costs to the

economy. As a result, effective corporate participation in the delivery of social projects can lead to a far more optimum utilisation of scarce national resources.

Unfortunately corporates are often viewed through a very narrow lens that concentrates only on its ability to extend financial support to socially relevant projects. This approach ignores **the immense transformational capacity of business in innovating business models that can synergistically deliver economic and social value simultaneously.** As a result, on issues of corporate social responsibility, **there is a disproportionate focus on outlays rather than on outcomes.** Consequently, the "capacity to pay" far outweighs the "capacity to do good". The net result unfortunately is grossly sub-optimal.

This misplaced perception is regrettably finding expression in proposals to measure CSR contribution in terms of financial expenditure. A case in point relates to the proposal to prescribe mandatory spends of 2% of net profits on CSR. Though well intentioned, such a proposition is not merely unimaginative in terms of its capacity to unleash corporate energies but also one with potentially undesirable consequences. Prescribing outlays is akin to an additional tax on corporates that seeks 'compliance' rather than 'commitment' in making social investments. **In unscrupulous**

hands, such an expenditure obligation will only encourage creative accounting to channelise funds for partisan purposes. Such prescriptive spends are unlikely to tap the larger managerial and creative capacity of business to create self-sustaining and enduring social upliftment. On the other hand, it

may potentially enlarge the scope for corruption and personal gain.

If the focus on outlays persists rather than on outcomes, it is a matter of time before large investments are necessitated to create an enforcement machinery to ensure that funds are not diverted away from desired outcomes, rendering it a zero-sum game. I am sure that many in the business fraternity will be particularly relieved to note that the new National Voluntary Guidelines do not contain any allusion to such outlays.

Global research by renowned experts such as Prof Michael Porter and Mark Kramer of Harvard have established that societal value creation delivered through a strategic business context is more meaningful and scalable. **The focus of strategic CSR is on outcomes that enhance the business context and simultaneously add value to the social dimension. A focus on outcomes spurs proactive innovation** to deliver meaningful social interventions optimising resources and capacities at hand.

Incentivising outcomes, therefore, is the key to drive business innovation and managerial capacity for societal value creation. Unfortunately, it is in this area that policies and systems are woefully inadequate. As things stand today,

Responsible Business practices do not evoke significant consumer support, sizeable investor interest or preference in Government policies. As a result of this ambivalent market response, corporate social action attempts the minimum, often defined by compliance to regulations, and does not ignite wider innovative capacity to accelerate social benefit. In a sense, at the current moment, the market does not differentiate between a company that follows strong sustainable business practices and one that does not. **This absence of an effective incentive and reward framework for sustainable business practices is today the largest barrier in harnessing the innovative capabilities of Business.**

A paradigm shift can however take place if strong market drivers emerge to support corporate action for societal development. Sustainable business practices will then become an essential part of the attractiveness of the business proposition and in turn translate into a financial dimension for such companies. Delivering Green GDP and an Inclusive growth model will then become an integral part of corporate strategy and a part of balance sheet deliverables. **Societal value creation will no longer be left to corporate conscience alone, but will be defined by market forces.**

How do we then create a market that contributes to corporate action for Green GDP and Inclusive growth? How can we unleash new competitive forces that will favour Responsible Business? What is it that will continuously spur innovation, creativity, scientific capacity and temper, and also ignite entrepreneurial dynamism?

Fortunately, there are answers and viable solutions. I have shared some of these thoughts earlier in the course of my addresses in previous Annual General Meetings. Given that these issues have now attained greater prominence, particularly with the Government enunciating new Guidelines for Responsible Business, it will be worthwhile to look at those propositions in fresh light.

MOBILISING MARKETS FOR GREEN GDP AND SUSTAINABLE LIVELIHOODS

To my mind, **the most powerful force that can bring about a dimensional change in societal value creation is the power of consumer franchise.** I use the term 'consumer' in a broader context to include all market participants such as the Government, both in its role as a regulator and a buyer, customers, investors, employees, job-seekers and other segments of civil society.

Strong multipliers will emerge when enlightened consumers exercise a preference in favour of Businesses that contribute significantly to environmental and social sustainability. By expressing a direct and distinct choice for the products and services of such enterprises, consumers will unleash a multitude of positive actions

that will eventually create greater shareholder and societal value. For one, corporates will need to vie for a larger share of the consumer spend by positioning sustainable business practices as a compelling value proposition. This will spur innovation as corporates will increasingly need to integrate social objectives into their business models. Sustainable business practices will emerge as a definitive market differentiator and consequently attract Investors, given the larger market gains accruing to such companies. Such organisations would also attract and retain better talent, enabling superior and sustained performance. The net result will also be a groundswell of corporate initiatives to build natural and social capital leading to a more sustainable and inclusive future.

The key, therefore, lies in enhancing awareness of market participants with a view to empowering an enlightened choice. Consumers need to be made aware of the immense power that rests in their ability to make an informed choice, and the consequences of using this power wisely to engender huge social change. At the same time, it would be important to build an institutional framework and market mechanisms that would support the empowerment of consumers and reward the innovative capacity of corporates. Let us examine the contours of such

a framework:

• First, Disclosures of Triple Bottom Line Performance

- ✓ All companies operating in India beyond a threshold size, including Indian operations of multinationals, must be encouraged to make Sustainability Reporting an integral part of their annual

disclosures. Such Reports could conform to the guidelines laid down by international organisations like the GRI or adopt the framework suggested by the National Voluntary Guidelines issued recently by the Ministry of Corporate Affairs.

- ✓ Over a pre-determined time-line, such Reporting could be made mandatory. **Third-party verification** would lend reliability and credibility to such disclosures.

• Second, Creating Institutions for Measurement & Rating.

- ✓ How do consumers make an informed choice for the products and services of responsible corporates? It would be critically important to create new Institutions that can design, develop and award Ratings to companies based on their triple bottom line performance.
- ✓ I had, in my earlier addresses, suggested that Government support the development of a Responsible Business "Trustmark" Rating System that could be used to convey to the consumer a company's environmental and social performance. An enterprise could be awarded 'Credits', based on

an objective evaluation of its triple bottom line performance, and an accumulation of such Credits could earn the enterprise Trustmark Ratings on a progressive scale. These Ratings could then be displayed on products and services of the company to help consumers make an informed choice.

- ✓ Apart from establishing new institutions to administer the Trustmark Rating Systems, it will also be essential to create a new cadre of social auditors who would be better placed to evaluate a company's sustainability performance. Either existing financial auditors will need to be re-skilled or a new discipline will need to be created.
- ✓ Going forward, it may even be possible to **trade in these Credits**, if a system similar to carbon credits or energy efficiency certificates can be developed so that organisations with surplus credits are able to monetise their efforts.

● Third, the Creation of Preferential Incentives.

- ✓ Government must consider the provision of a **differentiated and preferential set of incentives, fiscal or financial**, to companies that demonstrate leadership in sustainability performance. Priority fast track clearances, purchase preferences and other such incentives could be extended to corporates with high Trustmark Ratings. This would spur powerful market drivers that will incentivise innovation for larger triple bottom line impact.
- ✓ Banks and Financial Institutions could also factor in the Trustmark Ratings **in their lending operations providing benefits to more responsible corporations.**

● Fourth, Spreading Awareness and Empowering Decisions.

- ✓ Civil society organisations and consumer bodies can play a vital role in spreading awareness among consumers so that their buying preferences are channeled towards sustainable enterprises.
- ✓ Schools and educational institutions could also promote awareness amongst its constituents or design elements in their course curriculum to groom citizens of tomorrow as enlightened consumers.
- ✓ As one of the most influential forces of shaping public opinion, Media can also play an extremely effective role in raising awareness for a responsible buying movement.

I firmly believe that by aligning policies, regulations, civil society action and corporate efforts, powerful market drivers

can be created to make societal value creation an integral part of corporate strategy. **Responsible Business will then move from a realm of conscientious philanthropy to one that is driven by a competitive value proposition.**

As markets evolve, it is also possible to envision the emergence of social entrepreneurs who would specialise in the execution and delivery of socially relevant projects. Corporates who are otherwise unable to execute social ventures would then find ways of buying Credits from the social entrepreneurs to strengthen their own triple bottom line, thereby creating sustainable financial markets for social entrepreneurs.

Recognising the critical importance of enabling transformational change through the larger adoption of responsible business practices, your Company, in partnership with the Confederation of Indian Industry, has supported the creation of a unique institution – the CII-ITC Centre of Excellence for Sustainable Development. The Centre provides thought leadership, promotes awareness and builds capacity of Indian enterprises on issues of sustainable development and inclusive growth. Over time, the Centre has emerged as a focal point among Business, Civil Society and Government helping shape policy and corporate action in this area. Its Annual Awards seek to recognise outstanding efforts in sustainable business practices celebrating not only the achievements of these progressive corporations but inspiring others to follow as well.

ITC: INSPIRING ACTION FOR A BETTER TOMORROW

As global citizens we may either remain passive bystanders as half

the world reels under poverty and irreparable environmental destruction or stand up and champion efforts to create a better world for future generations. I do not think we are really left with a choice anymore. It is time that we rally together to champion positive outcomes that can create a better tomorrow.

Your Company takes pride in pursuing a super-ordinate commitment that goes beyond the market to create new benchmarks in Sustainable and Inclusive business practices. ITC's social investments are implemented in the strategic context of its businesses. As a result, it has been possible to meaningfully scale up these initiatives to ensure large-scale impact in terms of sustainable livelihoods and creation of natural capital.

Given the predominantly agricultural base of ITC's businesses, your Company has engaged proactively with rural communities to support and nurture the creation of self-sustaining economic organisations. This manifests itself in diverse initiatives such as self-help groups for women, water-user groups, village development communities and even forestry groups that have been

successful in registering a project under the Clean Development Mechanism of the United Nations Framework Convention on Climate Change. Concerted efforts have been made over several years to organise these communities into self-sustaining entities by empowering them with know-how, resources and training. All these rural-based projects require significant managerial resources and a large commitment of time to acquire scale and stability. This value of human effort and time is seldom taken into account by those who propound only financial outlays for social projects. Such value can only be measured in terms of the substantial outcomes accruing from social and environmental contribution.

The substantial positive impact of your Company's large-scale sustainability initiatives is well acknowledged. **ITC's e-Choupal** initiative has pioneered rural transformation and benefited over **4 million farmers in over 40,000 villages**. **The Social and Farm Forestry Initiative of ITC** has greened nearly **1,15,000 hectares, creating 51 million man-days of employment** among poor tribals and marginal farmers. Addressing the problem of critical water shortages particularly for irrigation, **ITC's Watershed Development**

Programme provides soil and moisture conservation to nearly **65,000 hectares** in rural India. In a manifestation of constructive public-private-people partnerships, your Company has forged partnerships with the Governments of Maharashtra, Rajasthan and Madhya Pradesh to bring nearly **1,00,000 hectares** under soil and moisture conservation over the next five years.

Recognising the need to broad-base farm based livelihoods, **ITC's Animal Husbandry Programme** has reached out to nearly **5,00,000 milch animals** leading to a significant increase in milk yields. In the course of time, it may also form part of your Company's value chains in the FMCG sector. To help expand off-farm income opportunities, over **37,000 sustainable livelihoods** have been created through focussed **Women Empowerment Programmes** in rural areas. Many of them are engaged in the value chain of your Company's Agarbatti business. Around **2,50,000 children** have also been provided **Supplementary Education** to help shape a better future for them.

Demonstrating your Company's commitment to pursue a low carbon growth path, **over 35% of energy consumed in ITC is now from renewable sources** and carbon neutral fuels. You will also be happy to know that **ITC's Wealth-out-of-Waste** programme, that promotes Recycling, is

supported today by over 3 million citizens including 5,00,000 school children and over 1500 commercial organisations.

Indeed, a passionate commitment to serve a larger national purpose is at the core of your Company's business strategy. Your Company is today an acknowledged exemplar in Triple Bottom Line performance contributing significantly to the national goals of sustainable and inclusive growth. It is my strong belief that, going forward, your Company's relentless endeavour to create new benchmarks in sustainable business practices will lend it a unique source of competitive advantage in an increasingly challenging socio-economic environment.

CONCLUSION

Your Company continues to remain engaged in building a portfolio of world-class businesses leveraging enterprise strengths, new technologies and carefully nurtured competencies. A strong rural connect which has earned the trust of millions of farmers, a spirit of innovation, and a focus on game changing R&D sharpen your Company's competitive strengths as it moves into the future. In addition, unique strengths in trade marketing and distribution, world-class manufacturing, superior service delivery, together with a rich experience in branding and deep consumer insights

add enduring vitality to your Company. It is this bouquet of competitive strengths that provide us the confidence as we step ahead into an exciting future.

As I conclude this address at the 100th Annual General Meeting, it is indeed satisfying to witness a fulfilling journey of an enterprise that is so deeply motivated by its commitment to create value for the Indian society.

“Consumers need to be made aware of the immense power that rests in their ability to make an informed choice, and the consequences of using this power wisely to engender huge social change.”

Your Company looks to the future with confidence, driven by an inspiring Vision, Values of Trusteeship and Vitality powered by a dedicated world-class team of human resources.

May I once again thank all of you for being a pillar of support in helping accomplish our shared aspirations. On behalf of the Board and the employees of your Company, I will look to you as always for your continued goodwill and encouragement.

Thank you, Ladies & Gentlemen. ”



"What Hazare wants is what the prime minister wants, is what any patriotic Indian wants."

N.R. Narayana Murthy,
in The Economic Times

"The government is committing political hara-kiri – as they say, if you are in a hole, stop digging."

Kiran Mazumdar-Shaw,
Chairman, Biocon, on Twitter



"I do not like certain tax laws – so do I go on a strike? Things are going out of hand."

Deepak Parekh, *Chairman, HDFC,*
in The Economic Times

"I THINK CORRUPTION HAS BECOME WORSE AND IF YOU CHOOSE NOT TO PARTICIPATE IN THIS, YOU LEAVE BEHIND A FAIR AMOUNT OF BUSINESS."

Ratan Tata,
Tata Group Chairman,
quoted by wire agencies

"The anti-corruption sentiment is not a whisper – it's a scream... This is a movement whose heart and voice cannot be ignored."

Anand Mahindra,
Vice Chairman, Mahindra & Mahindra, on Twitter



CLASSIC
QUOTE

"Fasting cannot be undertaken against an opponent. Fasting can be resorted to only against one's nearest and dearest, and that solely for his or her good."

M.K. Gandhi, *in Young India, Oct 7, 1926*

HUAWEI TELEPRESENCE

One World, One Office



Be everywhere, anywhere, anytime

We're pleased to offer you a natural and highly efficient communication system that effectively changes the way you work and live.

- No matter the distance, you're realistically face to face with each other
- Saves up to 30% bandwidth
- System standards completely integrated with all major vendors for full interoperability
- 3 levels of security features to ensure safety and reliability
- Custom-tailored, fully tested system installed in re-designed conference room. Full technical support



www.huawei.com/enterprise

E-mail: PartnerIndia@huawei.com, **Customer Care:** +91-9953591484 **Address:**
Gurgaon Huawei Telecommunication (INDIA) Co., Pvt. Ltd, 14th Floor Tower C, Unitech
Cyber Park, Sector - 39, Gurgaon, Haryana - 122002 India. **Mumbai:** 9th Floor,
Vishwaroop, IT Park, Near Vashi Station, Vashi, Navi Mumbai, India. **Huawei Enterprise**
Business Distributor: Redington India Ltd., Centre Point, Plot No. 8 & 11, Developed Plots
(SP), Thiruvika Industrial Estate, Guindy, Chennai - 32, +91-44-32924549.



Their Leader

There we were, at Delhi's famous Ramlila Maidan, caught up in the fervour of the crowds thronging to hear and see Anna Hazare.

Whole families were turning up in support, so were hawkers doing brisk business selling Anna caps, tricolour shawls and national flags. Volunteers distributed food and drinking water. The

scene was very orderly.

There was no political colour at the meet but the mood was strongly against politicians.

Most felt Hazare was the right person to head the movement as his own integrity was unquestionable. He might not be perfect, but a first step had to be taken, they said. Some voices we heard:

Arvind Wable

Executive Director and CEO, Draftfcb ULKA

We must not sit on the sidelines and feel bad about corruption. We need to show solidarity on an issue that is affecting everyone. Movements need to be apolitical. When politicians lead them, they have other agendas.

Rajeev Lalwania

Assistant Manager, NHPC

This is a movement for securing our future. There will not be another chance like this... Corruption is an old thing. The leadership is right now.

Cdr V.K. Jaitley

Ex- Navy, now an entrepreneur

It is harder to start a business in India than anywhere else. The number of licences one has to obtain to start one is repulsive.

Sunil Tara

Assistant General Manager, Terex

We have taken leave from our offices in order to support this noble cause of fighting against corruption.

Dinesh Nain

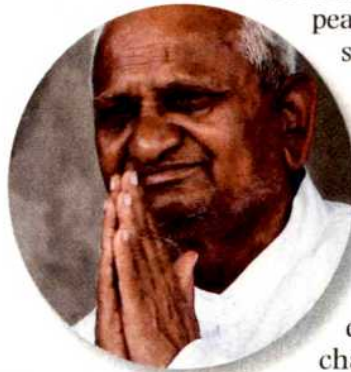
Chief Marketing Manager, Terex

Executives like us do believe in this movement. We don't want to pay bribes of any kind.

Vipin Kumar

Partner Architect, IAD Studios, Gurgaon

Everybody is forced to pay bribe. I got my passport after nine months, only after I paid a bribe... So far this movement has been peaceful. If this issue is not addressed soon, violent people will take over.



Rajen Makhijani

Ex-McKinsey employee

I have come from Singapore just to support Anna Hazare's campaign. The two things that cripple India are lack of infrastructure and institutionalised corruption. This revolution can change this country forever.

G.C. Sharma

VP of the Federation of UP Chambers of Commerce and Industry

Today if you need a licence from the government or any official papers, you can't get it without feeding government officials a fat bribe. Anna Hazare is one such figure that can resolve this mess.

ANAND J, DEARTON THOMAS HECTOR AND MANASI MITHEL

USE THIS TO BRIBE

Zero currency note! But don't try to be funny if the bribe is essential to your business. Wait for Anna Hazare to win.

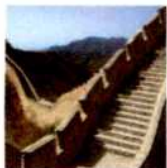
Link to site www.india.5thpillar.org



SO YOU PAID A BRIBE

Report your story, or see how your city fares on the bribery index. Bangalore is at No. 1 going by the amount of bribes reported. Delhi is No. 3. Do people in Bangalore really pay more bribes, or are they just more web savvy and frank?

Link to site www.lpaidabribe.com



State Bank of India
THE BANKER TO EVERY INDIAN

No Foreign Yatra Without *Vishwa Yatra*

Experience the convenience of using State Bank Vishwa Yatra Foreign Travel Card when travelling abroad and get fabulous discounts and other offers.

- Now a CHIP Card available in - USD, Euro, GBP, AUD, CAD and JPY.
- Competitive Exchange Rates.
- Accepted at 1.80 Million ATMs & over 28 Million Merchant Establishments.

Use State Bank Vishwa Yatra Foreign Travel Card and get exclusive discounts and other offers

Special Discounts* On



Get upto 20% instant Cash Back on International & Domestic Flights.



Cost effective global roaming solution

Flash your card and get Free Uniconnect International Roaming Sim Card.

For Individuals



For Corporates



**Vishwa
Yatra**
Foreign Travel Card

*Terms and Conditions apply

Visit your nearest branch for your State Bank Vishwa Yatra Foreign Travel Card
visit: www.prepaid.onlinesbi.com or www.sbi.co.in | email: contactcentre@sbi.co.in | call toll free 1800-11-22-11

*Terms and Conditions: 1) Cleartrip: a. International Flights - Book International roundtrip flight and get 15% cash back on basefare (maximum cash back ₹1500 per booking). Offer valid on all International flights originating from India. b. Domestic Flights - Book any Domestic roundtrip flight, get 20% cash back on basefare (maximum cash back ₹400 per booking). Visit: www.cleartrip.com/sbi for other details. 2) Uniconnect: Free International Roaming SIM Card. Visit: www.uniconnect.in for dealer network. Offer Period: 1st September - 31st October 2011

PROUD TO BE INDIAN

Let a Thousand Rules Die

Simpler rules will help check graft, easing the burden on SMEs. By TASLIMA KHAN

Anna Hazare's movement against corruption has put many a small businessman in a dilemma. The owner of a ₹5-crore steel products manufacturing unit in Lucknow, who prefers to remain anonymous, says he will have to shut down if he becomes a law-abiding citizen. The daily reports of thousands of citizens joining Hazare's cause do excite him, but he has to be ready at his factory to meet equally dedicated labour inspectors who are even now doing the rounds to collect their monthly take, or *hafta*.

"With up to 14 Acts relating to labour issues alone, it becomes difficult for small businesses to comply with all the rules," he says. "Over 40 inspectors keep me on the brink of shutting down if I do not bribe them. If I go against them and litigate, I will use up my working capital. So I accept corruption to buy peace."

Dinesh Agarwal, CEO of IndiaMart, a business-to-business marketplace for small and medium enterprises, or SMEs, agrees. While the Internet-based marketplace has been a boon at the front end, archaic procedures still snag small businesses. "SMEs are more exposed to lower-level corruption," says Agarwal. "Most have to bribe the sales tax office to file monthly returns."

Sanjay Bhatia, Managing Director of Hindustan Tinworks, a metal can manufacturing company based in Delhi, is guardedly optimis-

tic. "All we expect from this anti-corruption drive is simplification of procedures and administrative reforms," he says.

Bhatia, who is also chairman of the MSME committee at the Federation of Indian Chambers of Commerce and Industry, or FICCI, admits the protests indicate a general mass awakening. "Different sections have found a common platform to voice their grievances, and

will be a much better place for small businesses.

The idea finds support from all quarters. The promoter of an engineering consultancy in Delhi claims he has been visiting a government office for the past two years to get one clearance. "I still don't know when I will get it," he says on condition of anonymity. He does not even want to reveal the nature of the clearance he is seeking, fearing the officials might find out and trouble him some more. "Running around government offices for approvals has cost me a lot of time," he adds.

Some, like D.K. Pandita, Director of Innova Lab Instruments, are lucky they do not have to work too much with the government or its agencies. Innova Lab is the channel partner for some US and European companies. "Thankfully, we work with the private sector, which is comparatively free of corruption," he says. But Pandita is

quick to add that whenever he has to work with a government department, he braces up to offer favours.

Pandita and the others are not isolated cases. Hazare's movement could see a more stringent Lokpal Bill becoming law. But until the government changes the way corruption is tackled in this country, reduces the number of laws, simplifies the taxes and minimises the interface with state departments, it will be business as usual in the great Indian world of small and medium enterprises. ♦



the credit goes to Hazare," he adds. But with the government busy tackling the crisis, issues such as high inflation, rising commodity prices and interest rates have taken a backseat, he points out.

"It is almost impossible to make India corruption free," says an entrepreneur based in Delhi, who does not want to be named. "The effect of the Anna Hazare movement will be seen only in the coming 10 to 15 years." He, however, felt that even if 60 to 70 per cent of the rot is removed, India

INTRODUCING MODERN LUXURY

EXPERIENCE THE NEW WESTIN HOTELS IN INDIA.

- The Westin Gurgaon, New Delhi • The Westin Hyderabad Mindspace
- The Westin Mumbai Garden City • The Westin Pune Koregaon Park
- The Westin Sohna Resort & Spa

WESTIN.COM/INDIA

WESTIN[®]
HOTELS & RESORTS



Westin Heavenly Bed[®]



MERIDIEN

loft

THE LUXURY COLLECTION

WESTIN

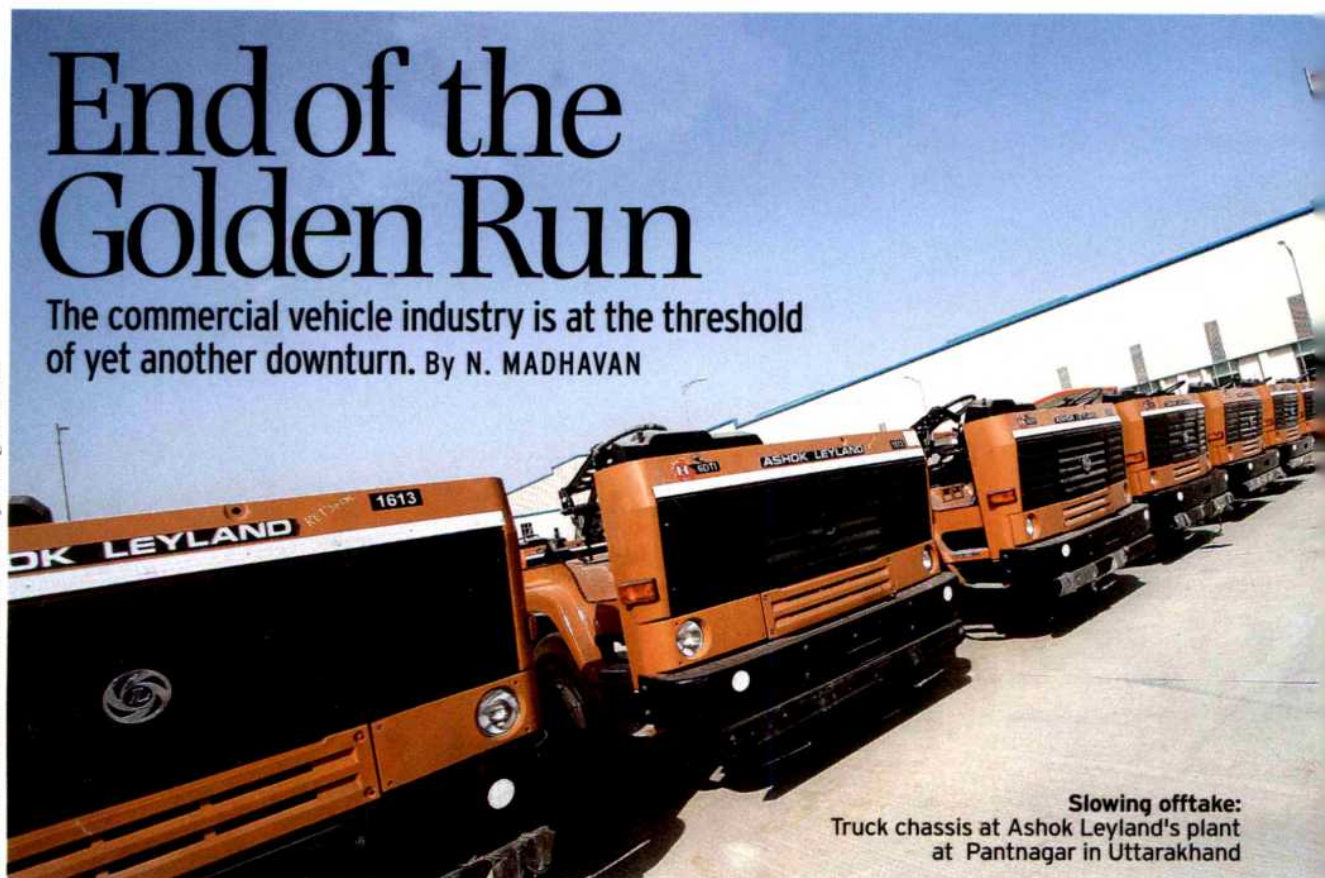
FOUR POINTS



End of the Golden Run

The commercial vehicle industry is at the threshold of yet another downturn. By N. MADHAVAN

SHEKHAR GHOSH/www.indiatodayimages.com



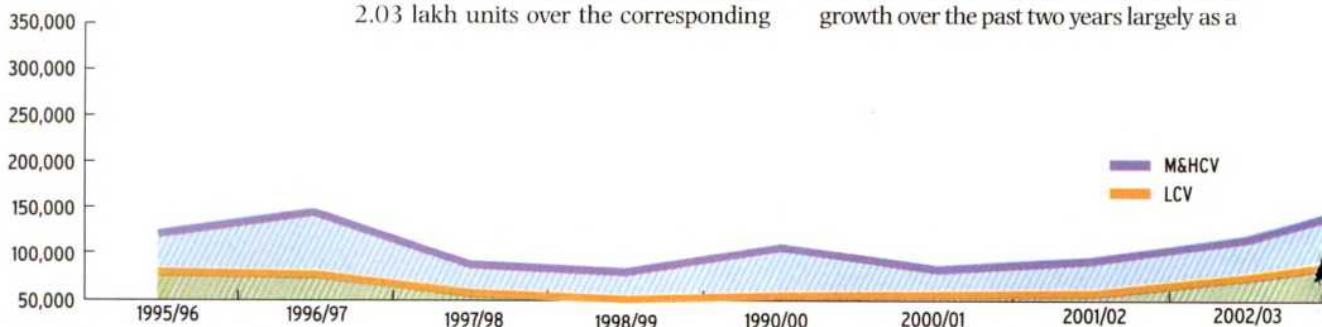
Slowing offtake:
Truck chassis at Ashok Leyland's plant at Pantnagar in Uttarakhand

When the Society of Indian Automobile Manufacturers, or SIAM, released data on sales of commercial vehicles, or CVs, during the four months ended July, the segment showed a healthy 16 per cent growth over the same period last year. It seemed to affirm the continuation of the dream run that the CV industry has enjoyed after the 2008 global downturn. The segment posted sales of 2.37 lakh units as against 2.03 lakh units over the corresponding

period last year, numbers that were robust enough to point to the resilience of economic activity in the country. But on closer scrutiny, the data reveals stress points, which have most CV manufacturers, financiers and dealers more worried than enthused.

Demand for passenger carriers during the first four months of the financial year has shrunk by one per cent to 32,403 units from 32,566 during the same period last year. This category had seen strong growth over the past two years largely as a

Another slowdown in the offing?



* for the period April-July 2011 ** Projected sales

result of the government's economic stimulus that pumped money into schemes under the Jawaharlal Nehru National Urban Renewal Mission. "Growth rates have indeed slowed," says Siddhartha Lal, Managing Director and CEO of Eicher Motors, makers of the high-end Volvo buses in India. "It is unclear whether demand will dip slightly or remain flat in the near future."

Demand for trucks weighing 12 to 25 tonne has fallen by a steeper eight per cent. These account for almost 48 per cent of the medium and heavy commercial vehicle, or M&HCV, category, which includes vehicles weighing 7.50 tonne and above. Overall, this category has posted an eight per cent growth. Vinod Dasari, Managing Director, Ashok Leyland, makers of predominantly heavy trucks and buses, attributes the fall in demand more to a temporary oversupply than to any change in the fundamentals. "There was a huge pre-buy last year just before the new emission standard came into effect from October," he says.

But fears of a slowdown in the commercial vehicles industry are more real for finance companies and dealers. "The M&HCV segment is already in a slowdown," says T.T. Srinivasaraghavan, Managing Director of Sundaram Finance. According to him, a sharp increase in the cost of trucks – there has been a 10 per cent increase in the past 10 months due to higher input costs – higher interest rates, rising diesel prices and severe shortage of drivers coupled with no commensurate increase in freight rates have hurt demand. Freight availability, too, is turning adverse. Nearly 10,000 trucks are lying idle in Bellary following the Supreme Court ban on mining there, while several sectors such as cement and

What Lies Beneath

Dig deeper into the sales numbers and all is not well in the commercial vehicle industry

The bus segment, which accounts for about **15 per cent of the industry, has seen a contraction**

Sales of 12 to 25 tonne trucks, which account for **half the M&HCV segment, have shrunk by 8 per cent**

The overall M&HCV segment grew by just 8 per cent in April-July period. **Last fiscal year it grew 32 per cent**

SIAM has already lowered its industry growth estimate to 7 per cent against 27 per cent last fiscal

Higher acquisition and operating costs have forced fleet operators to hold back purchases

Flat freight costs and driver non-availability have compounded the problem

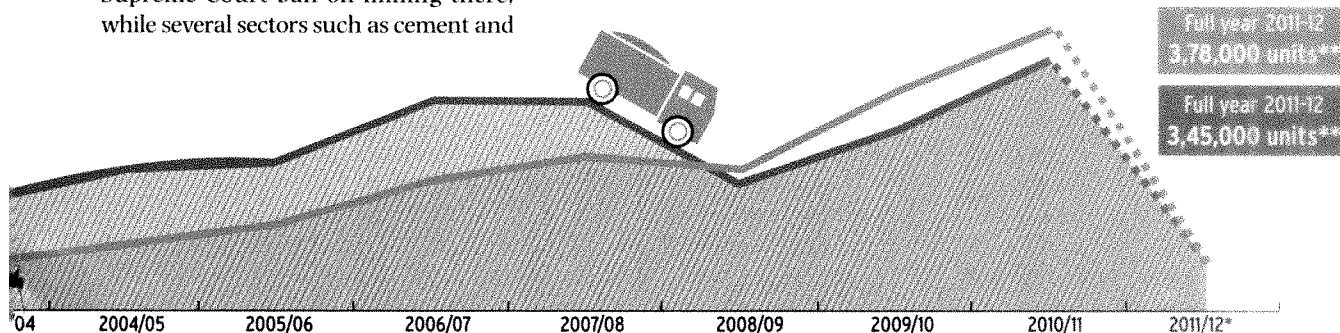
Quantum of discounts have registered a sharp rise

cars are generating lower output.

"Truckers typically borrow at a fixed rate for a five-year period. They do not get any benefit when the interest rate declines. With rates close to its peak today, truckers are waiting for them to come down," explains R. Sridhar, Managing Director, Shriram Transport Finance Company. Besides, falling demand has led to massive discounts. "But for the discounts, the slowdown would have been a lot more apparent," says a dealer.

Boosting the overall sales numbers this time as well as optimism in the industry are light commercial vehicles, or LCVs, and heavy trucks weighing above 25 tonne. With demand for LCVs galloping at 25 per cent, Ashok Leyland is gearing up to launch LCVs in the Indian market later this year in a joint venture with Nissan Motor Company. "Demand for LCVs will jump to 800,000 units in the next five years. A hub-and-spoke setup is emerging in India where heavy trucks carry goods between various cities and LCVs handle the intra-city transportation," says V. Sumantran, Executive Vice-Chairman at Hinduja Automotive. Demand for heavy trucks has risen sharply by 62 per cent to 17,959 units during the four-month period largely as a result of the hub-and-spoke model. It is estimated that for every heavy commercial vehicle sold, 10 LCVs are needed.

The industry is cautiously optimistic about its immediate future. "I do not expect galloping growth in the next six months. At the same time, I do not see a major slowdown either," says Eicher's Lal. Those in the industry will be more than happy if his prediction comes true. ♦



Source: Industry data

How to Do Business in a Slowing Economy



**Keep your head, grab the hidden opportunities
and cover your risks.**

By PUJA MEHRA

August 5, 2011: For the first time in history, ratings agency Standard & Poor's downgrades the United States credit rating. The world is shocked. Global financial markets are in turmoil. In Mumbai, the Bombay Stock Exchange's Sensex hits a 14-month low of 16,990.

"The prospects of a double-dip recession now seem very real. The quick fixes, the massive stimulus packages, the QE1, the QE2 and now perhaps a QE3 are beginning to seem more like band-aids used to fix a leaking roof in a tropical storm. The fiscal measures that were needed and were appropriate to resolve the problems in 2008, suddenly seem either un-

sustainable, or just not up to the task," Kumar Mangalam Birla, Chairman, Aditya Birla Group, said at the JRD Tata Memorial Lecture at ASSOCHAM on August 11. (QE1 and QE2 refer to the quantitative easing steps taken by the US government to shore up the economy during and after the 2008/09 downturn; QE3 to the fresh one being considered.) Even in India, growth could be halted if there was renewed recession in the West, he said.

"I cannot think of such a bad time in the last few decades," K.V. Kamath, Chairman of India's second largest lender, ICICI Bank, told *BT*. Kamath was referring to yields on the US 10-year treasury bonds dropping

to below two per cent. The biggest worry for companies in the post-downgrade world is fund raising. Money costs more now – the risk perception has worsened.

With the outlook for the global economy worsening, operating risks have become higher, says Rahul Bhasin, Managing Partner, Barrington Private Equity Partners. Yet, the ₹2500-crore GVK Group, for one, is unperturbed. "We see this as a time to look for opportunities to grow," G. V. Krishna Reddy, the 72-year-old founder and chairman of Hyderabad-headquartered group told *Business Today*. At the time of going to press, while GVK would not comment, it was learnt to be negotiating a deal for ac-

Central to India's flow markets.

Best Global Flow House
Euromoney Awards for Excellence 2011¹

No. 1 Euro & USD Rates
Euromoney Rates Survey 2011²

No. 1 Overall Asian Fixed Income
Greenwich Associates Share Leader Awards 2010³

Over 20% market share Asia FX
Euromoney FX Poll 2011⁴

Passion to Perform



G.V. KRISHNA REDDY

Founder and Chairman, GVK Group

LOOK FOR: Growth Opportunities. Distress sales which could be coming into the market with businesses under pressure. Companies such as GVK can expect to buy reasonably priced assets. The last 12 to 18 months have seen as many as 20 to 25 bidders for some road projects, as against six to seven two years ago. Many contractors-turned-developers might be forced to sell cheap now as they had probably bid at unrealistic internal rate of returns

GO FOR: The dollar is still a cheaper currency than the rupee for raising debt, even after factoring in all the hedging costs (foreign exchange and LIBOR fluctuations)



A. PRABHAKAR RAO



RAHUL BHASIN

Managing Partner, Baring Private Equity Partners

AIM FOR: This is not the time to look for cheap capital because the risk premiums are high. This is the time to become more competitive

LOOK FOR: Do not manufacture in India what you can source from, say, a factory operating at 20 per cent in the United States. Machine tools companies may be up at cheap valuations in countries such as Germany. Do the labour intensive work here. Japanese companies are finding it hard due to labour shortages

CHANGE FOR: Involve the staff that is closer to your customers in decision making or delegate decision-making powers to them unless top management deals directly with clients

WATCH OUT FOR: Credit in the global market will shrink as the credit adequacy ratios banks need to maintain will rise; profitability of these banks will fall. So expect more NPAs and more downgrades

quiring coal mines in Australia, a strategy to grow its energy business through backward integration.

To fund the acquisition, the company is reportedly in the market for raising over a billion-dollar loan. GVK Power & Infrastructure Chief Financial Officer Issac A. George will not comment on the loan, but offers a tip for borrowers: "Even after factoring in the hedging costs including the

fluctuations in foreign exchange rates and LIBOR, the dollar remains a cheaper currency for raising debt compared to the rupee." (LIBOR stands for London Interbank Offered Rate.)

"I find many companies do not have clarity yet on what has hit them, but for a vague idea about increased uncertainty," says Bhasin.

But, as Reddy says, there are

upsides to the downturn for the courageous.

For growth seekers such as GVK, Edelweiss Group Chairman Ramesh Shah predicts that a number of merger and acquisition, or M&A, targets will soon be up for grabs. "Many companies, which are tired of high interest rates, will be on the block in five to six months as their margins are stretched," he says. This is true,

MANISH SABHARWAL

Chairman, TeamLease

AIM FOR: This is the time to turn fixed salaries into variable pays

LOOK FOR: This is an opportunity to pick up good talent from overseas to bridge the skill gap, be it for home operations or overseas expansions

WATCH OUT FOR: Keep your head a bit because last time [the post-Lehman collapse in 2008] some companies reacted too quickly and too much for which many employees did not forgive them when the economy rebounded. These companies couldn't hire back the talent they had lost when they wanted them back. Some companies lost all organisational memory



SANJAY

RASHESH SHAH

Chairman, Edelweiss Group

AIM FOR: This is not a good environment to raise equity and debt is also becoming costly so companies are focusing on becoming more efficient

WAIT FOR: In five or six months there will be a lot of M&As; tired of the high interest rates many companies will come on the block as their margins are stretched. This is true for companies across the board, especially in the capital goods and infrastructure sectors. At the moment some private equity deals are going through in the infrastructure sector



RACHIT GOSWAMI

K.M. BIRLA

Chairman, Aditya Birla Group

HEDGE FOR: Commodity prices will broadly continue to be volatile

PLAN FOR: Oil prices can be expected to fluctuate around a range that is around 20 per cent higher than it is now

WATCH OUT FOR: The US dollar will cede some ground to a mix of the yuan and the euro in the next three to five years

*Excerpted from the J.R.D Tata memorial lecture at ASSOCHAM on August 11, 2011



he says, for companies across sectors, but especially for capital goods and infrastructure.

So this could be the time to shop for distress assets in places like Europe. Talent will be available too.

Sectors hit by India's skills deficit might find the slowdown a dream come true. Manish Sabharwal, Chairman of people supply chain TeamLease, says a number of compa-

nies have begun to bring in high-quality and super-specialised talent from overseas – the kind they always eyed but could not afford before. He cites examples of Bosche, Educomp and Angsana Spa that have hired teachers, trainers and engineers from overseas. Less aggressive entrepreneurs can leverage the slowdown to lower costs – by sourcing from European or American companies

which are being forced to operate at low capacities owing to inadequate demand. Says Sunam Sarkar, CFO and Executive Director, Apollo Tyres: "It might be cheaper to import machine tools from Germany and building material from factories in the US that are all probably operating at 20 per cent of their capacities." ♦

ADDITIONAL REPORTING
BY E. KUMAR SHARMA

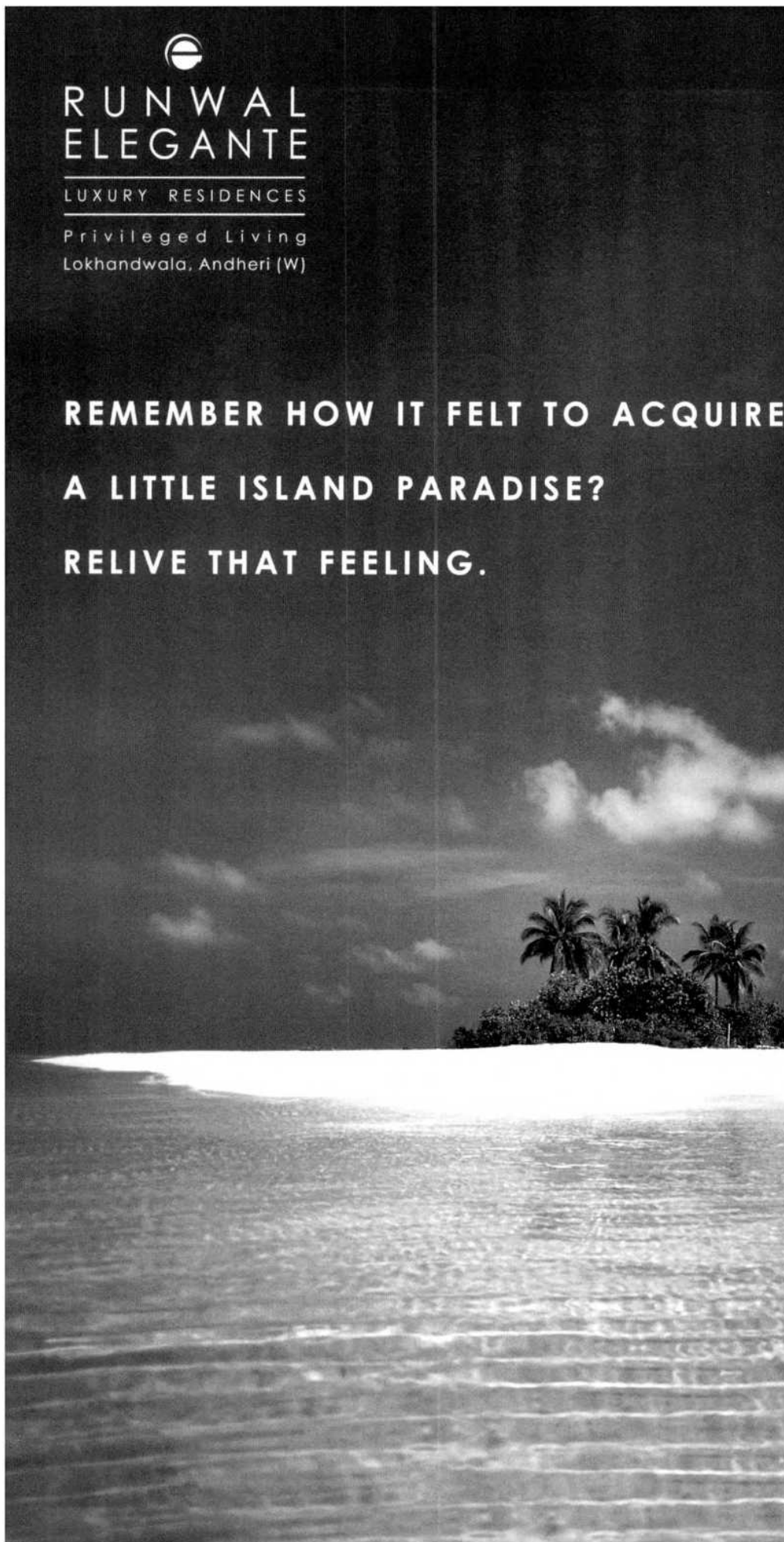


RUNWAL ELEGANTE

LUXURY RESIDENCES

Privileged Living
Lokhandwala, Andheri (W)

REMEMBER HOW IT FELT TO ACQUIRE
A LITTLE ISLAND PARADISE?
RELIVE THAT FEELING.



THE **GALEO** DECK
400 FT. ABOVE THE CITY

With you



Runwal Elegante, located in Lokhandwala, Andheri West, Mumbai, is a thoughtfully designed luxurious residence. It includes every comfort that your heart desires. Wake up every morning to a breathtaking view of the azure sky romancing the sea. In the evenings, take a stroll on the Grand Galeo Deck, which is an open terrace spanning over the three towers. Then of course, there's a jogging track, infinity pool, health centre and exotic spa to pamper you. Come, discover privileged living.



**RUNWAL
ELEGANTE**

LUXURY RESIDENCES

Privileged Living

Lokhandwala, Andheri (W)

Behind Infiniti Mall, Lokhandwala, Andheri (W), Mumbai. To confirm your appointment

please call: 9920090456, 9920056007, SMS 'RUNWAL ELEGANTE BT' to 57575 or

email: elegante@runwal.com | Project financed by ICICI Bank

www.runwalelegante.co.in

Superhero Dreams

How Hero MotoCorp sees life beyond Honda. By KUSHAN MITRA

The host city for the 2012 Olympics was burning on the night of August 9. London was convulsed by the worst rioting in Britain in living memory. The morning papers were emblazoned with the silhouette of a woman jumping from a building in flames. Policemen moved through apocalyptic streets, hunting thugs and looters to the rise and fall of sirens. But in a surreal scene only Bollywood could have conjured up, a different kind of pyrotechnics was exploding on the south bank of the Thames, in the massive Millennium Dome, now called the O2 Arena.

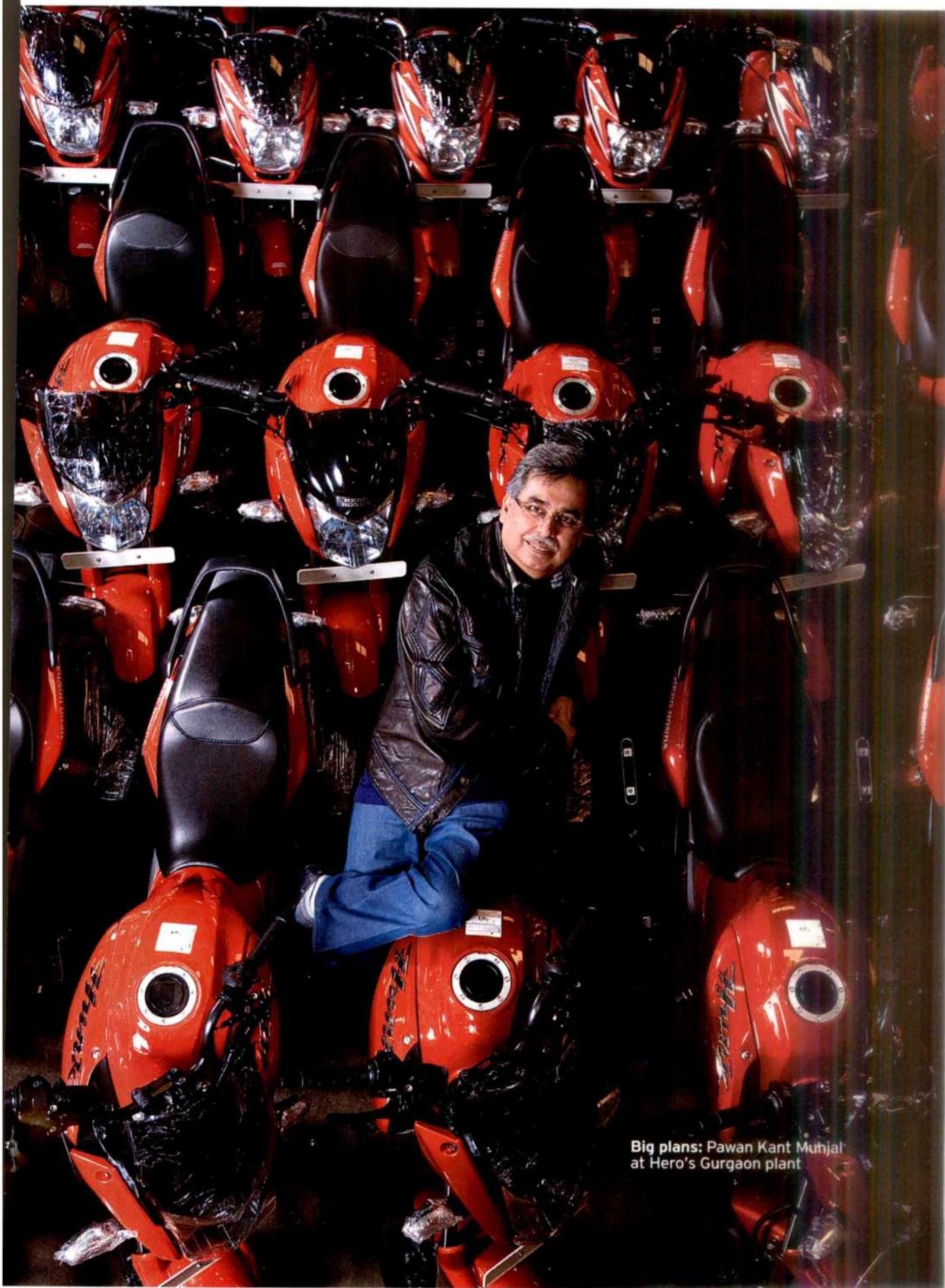
There, amidst fireworks, a laser show, prancing heroes and heroines, and the obligatory ode from A.R. Rahman, the main item descended from the rafters – Hero MotoCorp's new logo, three geometric

chunks forming an isometric "H" – to the hoarse cheers of 1,300 dealers, vendors and employees led by Pawan Kant Munjal. Less than eight months earlier, Hero had announced the end of its immensely successful 27-year marriage with Honda. Munjal and his merry men were there to celebrate Hero MotoCorp, the company born out of the divorce.

As divorce parties go, this one too, was a bit over the top, brimming with optimism about the future. But no one badmouthed the erstwhile spouse. Instead, Honda was fondly remembered. That may be because Hero got a true sweetheart deal; it got to keep the house, the car and the kids. The Munjal family, the promoters of Hero, who held 26 per cent, the same as Honda, got to buy out the partner at a price significantly lower than the market price – rumours put the confidential price at half the market value. Hero can

PAWAN KANT MUNJAL Managing Director, Hero MotoCorp

"It will take some time to build up our international operations, but we are beefing up our management in international sales"



Big plans: Pawan Kant Munjal
at Hero's Gurgaon plant

1956

Hero Cycles established in Ludhiana, Punjab. Becomes India's largest cycle maker in 1975



1983

Joint collaboration agreement with Honda Motors Corporation signed



1984

The first CD 100 rolls off the production line at Dharuhera, Haryana. In November, the company lists shares for public subscription

2011

Sales cross five million (2010/11). In August, the company changes formal name to Hero MotoCorp and unveils new brand



2010

Sales cross the four million mark (2009/10). On December 16, Hero and Honda announce they are parting ways

2009

Technical agreement with Honda extended till 2014

2008

Inaugurates third plant in Haridwar (pic below). Despite a slump in the segment, Hero Honda holds steady



launch products with Honda technology till June 2014 and can continue to sell them for as long as it wants. Hero Honda's exports were confined to some minor markets abroad since Honda did not want a clash with its exports from Japan; Hero MotoCorp can go anywhere.

Not surprisingly, it was with palpable ebullience that Pawan Kant Munjal, who was just 30 years old when his father Brij Mohan Lall forged the venture with Honda in 1984, walked on to the O2 stage and said the company held the event in London to showcase "our new global ambitions as well as to highlight both our legacy and modernity, like London does". That's a long journey for a group that started with a small cycle repair shop in Old Delhi's Chandni Chowk a year after the Independence and later moved to Ludhiana to set up Hero Cycles. Until the tie-up with Honda, the Munjals, who came from Pakistan in the aftermath of the dreaded Partition, were

known just for their Ludhiana-made cycles.

Twenty-seven years later, the Munjals once again need to invoke the Ludhiana spirit – the town in Punjab is known to spawn entrepreneurs, including the country's telecom czar Sunil Mittal – to face life after Honda.

They have begun on a good note, but a good divorce settlement can ensure only short-term happiness; it does not guarantee the proverbial happily-ever-after. That is what Hero Honda's shareholder family of 67,000 would be sweating over. A part of the 30-share Sensitive index of the Bombay Stock Exchange, the Hero stock is one large cap which is actively traded and is among the top 25 stocks by trading volume.

As many of you might know, responsibilities get shared when you live as a couple. When you are single, there is always something that causes a headache. It could be the plumbing, the cooking, or the electrician may not turn up. And then

there is the fine print of the divorce: Hero is paying Honda ₹2,479 crore as licence and exports fees. That is 14 per cent of Hero's 2010/11 revenues. Ravi Sud, Hero's Chief Financial Officer, says the figure will go down to just 2.2 per cent of 2013/14 revenues on a pro-rata basis. However, this is about more than just money. This shows how dependent Hero was – and is – on Honda for technology.

Among Indian two-wheeler companies, only Bajaj Auto, which

morphed under Rajiv Bajaj from a scooter maker into a motorcycle company in the late 1990s, has done well on its own. It has had a technology tie-up – no equity partnership – with Kawasaki of Japan, but its biggest success of the recent years, the Pulsar, was developed in-house. Bajaj does not even share the badge with Kawasaki any more, though it sells some high-end motorcycles imported from Kawasaki under its premium 'Probiking' network.

On the other hand, Kinetic, promoted by the Pune-based Firodia family, collapsed after Honda walked out of their scooter making joint venture. LML, promoted by Kanpur-based Deepak Singhania, is making a feeble come-

back with electric scooters after its Vespas disappeared in the aftermath of its breakup with Italy's Piaggio. TVS, which split with Suzuki, carries on and develops new products in house, but it has always been, despite the thrust provided by step-throughs, a distant third in the two-wheeler market – making little of Chairman Venu Srinivasan's avowed ambition to overtake Bajaj.

While Hero has done "significant" work on styling and design of its products for a few years now, Munjal admits that the company has little know-how of its own in the crucial engine and gearbox departments (see box: *Cracking the Bajaj Code*). Hero MotoCorp unveiled two new products in London, a scooter named Maestro and a motorcycle named Impulse. The two

1989

The company rolls out its **300,000th motorcycle**

1994

The 100cc Splendor is launched – it becomes the largest selling single model in the world

1995

The technical agreement with Honda is extended till 2004



1997

The Gurgaon factory (pic above) comes onstream and the 'Street' step-through is launched – which becomes the first product failure for the company

ANAND SINHA

2005

Launches its first scooter – 'Pleasure' and starts 'Just For Her' marketing scheme with dedicated dealerships



2004

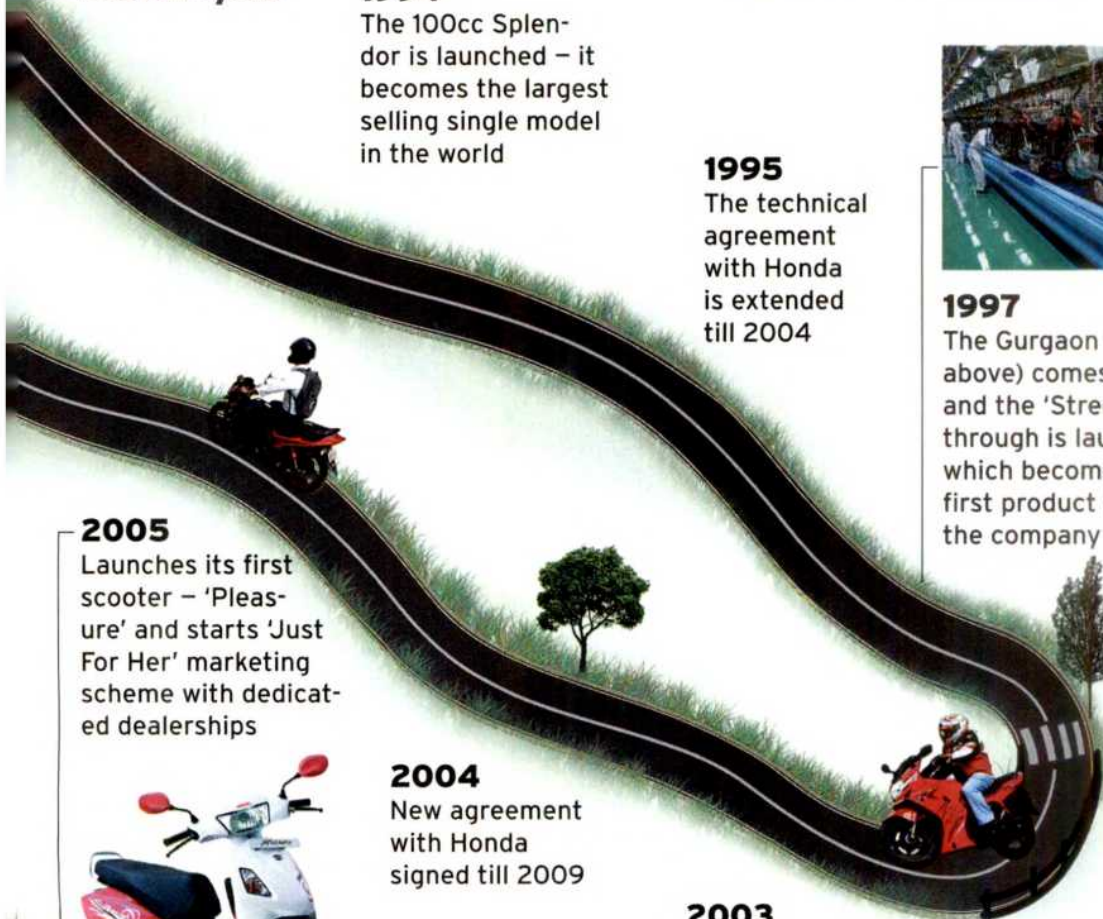
New agreement with Honda signed till 2009

2003

Crosses **₹5,000 crore in annual revenue** (2002/03) and launches the Karizma – first high-power motorcycle in India

2001

Hero Honda becomes the largest manufacturer among all Honda companies. The 100cc Passion is launched



Cracking the Bajaj Code

Around the turn of the century, scooters lost their appeal. It soon became apparent that Honda's fully owned subsidiary, Honda Motorcycles and Scooters India, would be the only major votary of the stolid vehicle that had carried Indian families for decades. The others would, at best, look at scooters as supporting cast to the protagonist: the agile, sturdy motorcycle, whose utility on Indian terrain could not be matched by scooters.

Bajaj Auto, which had risen to the top on the back of its scooters – in the 1980s, it was common for buyers to wait for a decade to get a Bajaj – embraced motorcycles with the zeal of the new convert. Going the whole hog, the company, which was converted into an out-and-out motorcycle maker by Rajiv Bajaj, the elder of the two sons of Chairman Rahul Bajaj, also wanted to be self-reliant in technology. It invested heavily in research and development, not only in the simpler frame and aesthetics department but also in engines. The result was the Dual Twin Spark, or DTS, engine, which went into that boy-racer's dream, the Pulsar, which continues to dominate the 150cc segment. While Hero and Honda have managed to chip away at its lead, Bajaj is still reaping the dividends of its R&D efforts.

Can Hero match that? Managing Director Pawan Kant Munjal says he has had a "large R&D team working mainly on the frame and looks of our products", but he concedes that they are a bit thin on the "engine side of things". Hero's success in the Indian market has been on the back of Honda's reliable 100cc engine, which has surprised many with its longevity. Barring a few tweaks, the same engine has been driving products for two decades.

Until June 2014, Hero's fortunes remain tied to Honda, as the Japanese company will continue to provide technology (read engines). New products after that will have to be developed without Honda. Munjal talks about a group of "Japanese people" with whom Hero will jointly develop products. This, while boosting in-house R&D at the factory in Dharuhera, Haryana. "I am quite sure we can do this," says Munjal.

Surging ahead: Rajiv Bajaj outside Bajaj's Pune plant



will wear the Hero badge – no Honda there – but have been developed in association with the Japanese company.

Munjal, for his part, is not taking chances and is in advanced stages of talks for technology with a "group of Japanese companies" he wouldn't name. Ashok Taneja, Managing Director, Shriram Rings and Pistons, a long-time vendor to Hero, says that motorcycle technology is not rocket science. "Technology is not that much of a factor in motorcycle sales any longer." If you have the money, you can buy it off the shelf in Japan, South Korea, and elsewhere. Kinetic, after splitting with Honda, tied up with Hyosung of South Korea and rolled out motorcycles, including a high-end cruiser, the Aquila, priced at ₹1.5 lakh. The same experts would also tell you that success in two-wheelers is not about technology alone, sales and distribution are vital.

Every village, household

In the last financial year, four million motorcycles were sold outside the metros and big cities, giving 45 per cent of the total sales to rural and semi-urban areas. These are markets where it is not easy to outpace a company which made its bones in cycles. If this outlet does not get you, the next one will. Hero has more than 4,500 touch points across the country, almost double the 2,300 it had in early 2006, and expects to have 5,000 by March next year, including over 800 full-fledged dealers (several dealers own multiple outlets).

Bajaj has 589 dealers, according to its latest annual report. "Small towns, villages... we are everywhere," says Anil Dua, Senior Vice President, Marketing and Sales, Hero MotoCorp. Add to this Hero's focus on rural sales, which have increased from 45 per cent of the total in 2007 to 47 per cent, and you begin to understand why Hero Honda's share of the motorcycle market stands at 56.5 per cent, well ahead of Bajaj's 25 per cent and the below seven per cent



TRUE 'COMMITMENT' HAS ITS REWARDS

**Financial Technologies is the proud recipient of
'Golden Peacock HR Excellence Award 2011'**

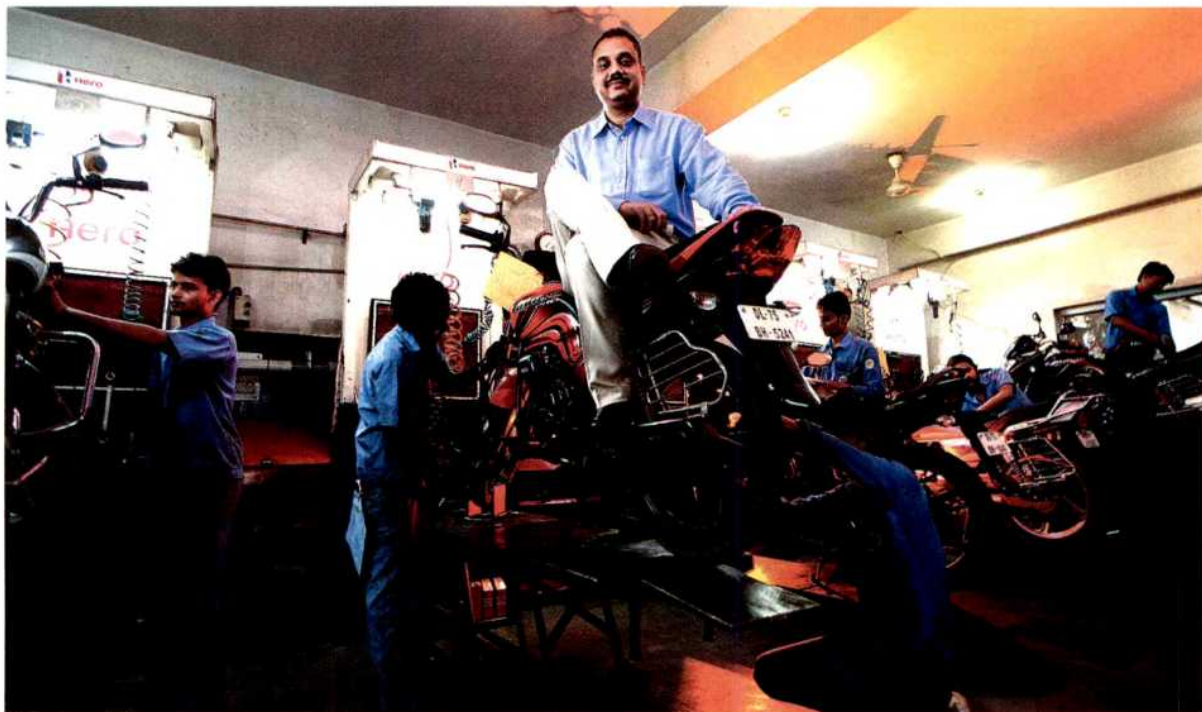
Commitment is at the core of our values at Financial Technologies. Over the past 15 years, we have been committed to offer world-class technology and expertise for creating financial markets across asset classes. It is this very value which drives us to enhance customer satisfaction, deliver value to shareholders and play our role of a responsible social business enterprise.

This value also finds a special place within the FTIL family. Our commitment to invest in human capital, training, team building and creating industry leaders weaves every member of the family together. Indeed, our commitment has rewarded us well.



Financial Technologies India Ltd. (FTIL), FT Tower, Suren Road, Chakala, Andheri (E), Mumbai- 400093.

Tel.: +91-22-66868010 | FAX: +91-22-67099066 | info@ftindia.com | www.ftindia.com



SHEKAR GHOSH/www.indiatodayimages.com

VIVEK GOYAL Owner of Autoneeds, a Delhi-based Hero dealer

“If we can sell a bike to one major household in a village, we can crack the village”

share of Honda's fully owned subsidiary, Honda Motorcycles and Scooters India, or HMSI.

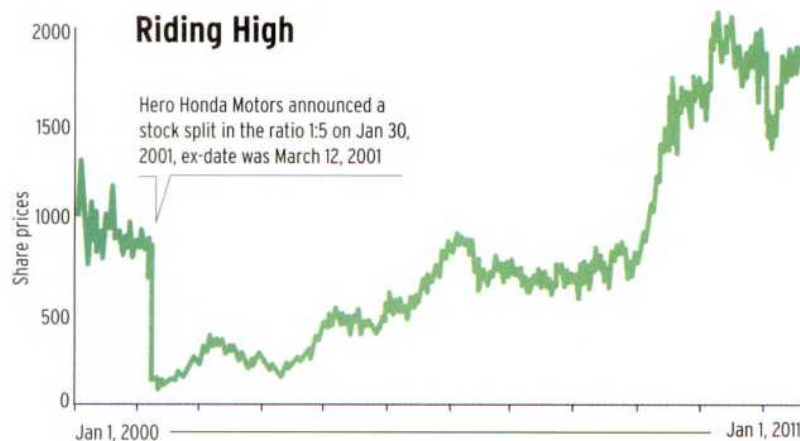
In villages where Hero does not have direct presence, it has authorised representatives of dealers – Dua calls them opinion makers – who travel from place to place extolling the virtues of its motorcycles. “Our

aim is *Har Gaon, Har Aangan* (every village, every household),” he says. Hero dealers even send mechanics every month to repair and service motorcycles in far-flung villages. Vivek Goyal, owner of Autoneeds, a Hero dealer for 22 years with outlets in Delhi's middle-class borough of Patparganj and in Gurgaon, says

word of mouth is always positive for Hero. “If we can sell a bike to one major household in a village, we can crack the village,” he says.

Even in cities, Hero is not about to slow down. Says Nikki Seghal, owner of Auto Riders, a dealership in Pune: “Was I apprehensive when I walked into that huge hall in London? Yes, I was, and so were several hundreds of other dealers. But when we saw the direction the company is taking and the new brand and the campaign, I felt quite relieved and many of the others were thrilled. I believe the problem may be one of supply in the near future.”

You see, it was not for nothing that Honda agreed to share its India profits with Hero for 27 long years. However, over those years, Munjal's ambition grew bigger than the Indian landscape. He wanted a piece of the overseas pie, which Bajaj had been devouring alone.



KOHLER .co.in

FOR THE PERFECT GETAWAY,
WE JUST STEP INTO OUR KOHLER BATHROOM.

Kohler bathrooms so stylish and beautiful, you can't stay away from them.

THE BOLD LOOK
OF **KOHLER**®



As far back as 2001, Honda made its intentions clear when it decided to set up its wholly owned subsidiary. Despite the protection given by the government's Press Note 18, which did not allow a foreign company to set up another unit if it already had a joint venture with an Indian company in the same area, Honda managed to walk out of Kinetix and obtained a no-objection certificate from the Munjals. Confined to scooters in the first few years, HMSI started making motorcycles from 2004, coming in direct competition with Hero Honda. Bets were being placed in the market on how long it would be before Honda walked out of Hero.

Eyes Abroad

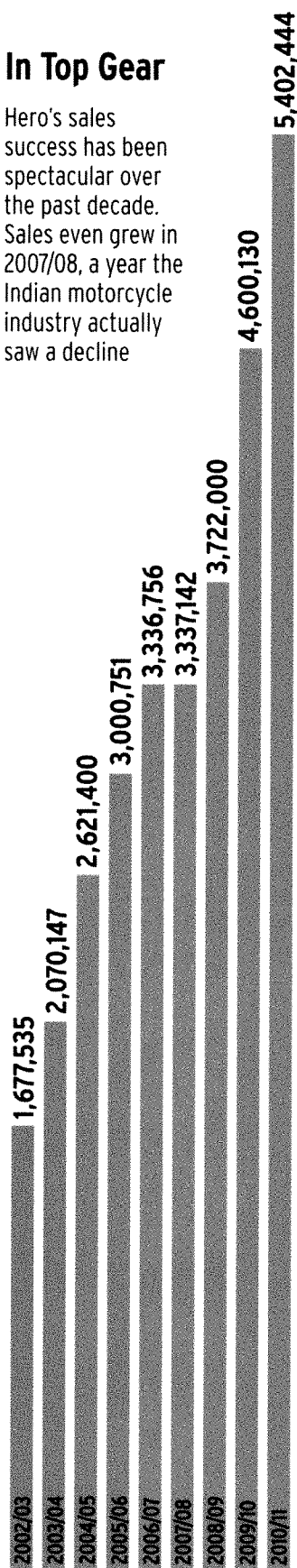
The process was catalysed three years ago, when Munjal, his father Brijmohan Lall and brother Sunil decided it was time to take Hero to the next level. They looked at their main rivals in the Indian market and saw Bajaj's rapid strides overseas. From almost nothing in 2002/03, Bajaj was exporting 972,000 motorcycles in 2010/11, or 29 per cent of its sales volume. Throw in three-wheelers and Bajaj was raking in ₹4,552 crore from overseas, a five-fold jump from 2005/06. Hero Honda's exports, stymied by Honda, stood at 133,000 units last financial year, or under 2.5 per cent of sales.

"They (Honda) have a fully owned company, which has been around for a decade. As our joint venture was doing so well, they could not focus on it totally. We wanted to grow and they wanted to focus more on HMSI. So, after several rounds of talks in Delhi and Tokyo, we felt it would be best if we went separate ways," says Munjal.

The negotiations were long and hard. Only a core group of Hero executives were in the loop. The public domain only had stray leaks in the newspapers, which added an edge to the discussions in the joint family. "Let me just say that it made family

In Top Gear

Hero's sales success has been spectacular over the past decade. Sales even grew in 2007/08, a year the Indian motorcycle industry actually saw a decline



Source: Company

meetings rather interesting, especially when my children, nephews and nieces asked questions based on what they had read. It was not easy keeping a straight face, because some of the reports were fairly accurate," says Munjal, no longer trying to keep his face straight.

Finally, in the full bloom of the Delhi winter on December 16 last year, during a rooftop banquet of The Taj Mahal Hotel on Mansingh Road, a sombre Munjal sent a shiver down the spines of unsuspecting stakeholders by announcing an end to the joint venture.

Intense speculation about the future of the company followed, although the stock markets largely ignored it. On the first day of trading, December 20, after the announcement was made (the announcement took place after market hours ahead of a long weekend), the Hero stock climbed 18 per cent.

A prominent Indian industrialist, who has had several joint ventures of his own in the past, puts it in perspective: "Every joint venture has a half-life, some last longer than expected and some shorter, but a good joint venture is one where both partners can leave with their pride intact and having gained a lot. Could Hero have reached where it has without Honda? I think not. And I believe the experience will leave Honda a stronger player in the Indian market."

Hero continues in the London spirit of ebullience. The announcement of the split has not doused demand for its motorcycles. From April to July this year, it sold nearly two million motorcycles, a 21.7 per cent rise over the same period last year, outpacing the two-wheeler market which grew 15.8 per cent. It is closing in on TVS Motor, the number two in scooters. It expects to cross six million units this financial year, a 15 per cent rise over the last. Munjal hopes exports will bring in 10 per cent of the total sales in 2015/16 – a meagre figure but one which will

VIT Business School

Fostering Innovation



VIT Business School stresses on combining the powers of knowledge and experience to help you secure a job, and to excel in it. While also ensuring that business education is as much fun as it is important.

It is a full-service management school that imparts hands-on training in specialisations that cover a wide range of industries. Here, you can experience the excitement of learning on the job with out-bound training programmes. You can enhance your management skills through fun-filled co-curricular activities and simulation modules. You can understand the pulse of markets by interacting with them on a regular basis. You can feel the buzz of the corporate world by working in companies through summer placements.

Most importantly, with VIT Business School's innovative and fun learning methods, you can gain the knowledge and experience that gives you the confidence to secure a bright future for yourself.

**We enhance
your management skills.**

**We impart
hands-on training.**

**We give you
the right exposure.**

So that you can write your own destiny.

At VITBS, we give you the confidence
to pursue the best opportunities.



VIT[®]
UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)

Vellore - 632 014, Tamil Nadu, India

www.vit.ac.in

Avoiding the Kinetic Road

The Munjals of Hero will not like it but the story of the Firodias of Kinetic Motors sounds eerily similar to theirs. Kinetic Honda was set up in 1985 – a year after Hero Honda – to make modern, gearless scooters. Both partners held equal equity in the venture, which went on to get listed.

All went well till 1998/99, when motorcycles for the first time outsold scooters: 1.36 million to 1.29 million. As this crack threatened to widen into a chasm, Honda decided to ditch Kinetic, even though a lack of new products may have been the cause for the fall in sales. The Firodias bought Honda's stake at a significant discount to the existing market price and were allowed to use Honda's technology in their existing products in return for licence and royalty fees. In 1999/2000, Kinetic actually improved its sales and managed to make a profit after a year of loss. A new energy seemed to emanate from the company as it made a foray into motorcycles based on technology from South Korea's Hyosung.

Things changed for the worse when Honda's fully owned

Wrong lane: Arun Firodia, Chairman, Kinetic Group



subsidiary, HMSI, launched its scooters and quickly took hold of the market, nudging Bajaj Auto to stop making scooters and completely cannibalising the Kinetic models.

Kinetic tried hard to stay afloat, but eventually sold the two-wheeler company to Mahindra & Mahindra, paving the way for the Mumbai-based conglomerate's entry into the segment.

Can the same fate befall Hero? Unlikely, says analysts. Hero's volume, pervasive sales and distribution network, and marketing acumen are much more formidable than Kinetic's ever were. HMSI even after the announced expansion will be less than half the size of Hero five years down the line. Most importantly, Hero's pristine books with healthy margins and zero debt can withstand many a shock. But Hero's managers do have the Kinetic story at the back of their mind. "It is useful to have a cautionary tale," says one.

look huge once you hear the total number Munjal hopes to sell that year: 10 million.

The first big target in exports is Nigeria. "Wherever we have exported, we have seen decent sales. In Bangladesh, Nepal and Sri Lanka, we have stood our ground against cheap Chinese imports," says Munjal. The choice of Nigeria may have something to do with Bajaj's success in Africa, which gives the Pune-based company 45 per cent of its export volumes. "Africa's motorcycle market was at two million last year, of which a million were sold in Nigeria," says Dua. Adds Munjal: "It will take some time to build up our international operations, but we are beefing up our management in international sales."

Can Hero make it big abroad like Bajaj? A long-time associate of the company has a theory. "There are four factors: the quality of management, sales people on the ground, technology, and the brand. As far as the first two are concerned, Hero sets the standards. I do not believe technology is a problem. The big problem is the brand. The brand is very strong in India, but the vital question is if consumers in Africa and South America will be able to relate to it. But, it does help that the name is so easy on the tongue."

Back home, the company plans to invest ₹4,500 crore over the next five years in two new factories in Southern and Western India and a global parts centre in Rajasthan. None of Hero's competitors is planning even half as much. Only its erstwhile partner, Honda, has elucidated its immediate expansion plans, which involve a third factory, to be set up in Karnataka, taking its installed capacity to four million a year – less than half of Munjal's 10 million.

The new logo seeks to reflect Hero's legacy as well as its ambition. Munjal may need to dip into the first to realise the second. ♦

(This correspondent travelled to London at Hero MotoCorp's invitation for this story)



Reliance
SIP + FREE
INSURANCE!

AISA BHI KABHI
HOTA HAI OFFER

RELIANCE

Mutual Fund

Monthly savings ko
SIP mein badlo
aur **free**
life insurance pao!

Toll free: 1800 300 11111

SMS: **FREE** to 561617

www.reliancemutual.com

Charges upto Rs. 3 per SMS

Conditions apply

Reliance SIP Insure is a special facility available to the investors in selective schemes of Reliance Mutual Fund subject to such limits, operating guidelines, terms and conditions as may be prescribed by Reliance Capital Asset Management Limited (RCAM)/Reliance Mutual Fund from time to time. Free life insurance cover provided as a part of an add on feature called as 'Reliance SIP Insure' (available in select schemes of Reliance Mutual Fund) is arranged and funded by Reliance Capital Asset Management Limited through "Reliance Group Term Assurance scheme plan" (UIN 121N006V01) of Reliance Life Insurance Company Limited (Reg. 121). The sum assured will be an amount equivalent to the aggregate balance of unpaid SIP installments, subject to a maximum of Rs.10 lakhs per investor across all schemes / plans and folios. For further details on SIP Insure facility including the load structure, terms of insurance etc. refer to the Notice Cum Addendum No 12 issued in the year 2011 and Scheme Information Documents of the respective schemes offering the said facility. **Statutory Details:** Reliance Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882. **Sponsor:** Reliance Capital Limited. **Trustee:** Reliance Capital Trustee Company Limited. **Investment Manager:** Reliance Capital Asset Management Limited (Registered Office of Trustee & Investment Manager: 'H' Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710. Maharashtra). The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.1 lakh towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. The name of the Schemes do not in any manner indicate either the quality of the Scheme; its future prospects or returns. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of the future performance of the Scheme. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. For details of scheme features and for Scheme specific risk factors, please refer to the Scheme Information Document which is available at all the DISC / Distributors / www.reliancemutual.com. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.

Precious Platinum **A Rare**

Coveted for centuries, it is your turn to discover the many facets of one of the rarest metals on earth.

In 1931, Frank Capra immortalised the phrase 'Platinum blonde' in his movie of the same name. Little did he know, that women had been mesmerised by the qualities of this rare and precious metal for decades. From ancient Egypt to red carpet premieres in Hollywood to the fashion capitals of the world, platinum has fascinated the world for centuries. Be it princesses, pop divas, style icons or fashion designers, platinum has been on the wish list of discerning individuals the world over.

It is only fitting then that a metal as precious as this, is of an extraordinary origin. Two billion years ago the first meteorites showered on earth bringing with it the first traces of platinum. But it was much later in the 18th century that the world began to well and truly discover the phenomenon called platinum.

Commissioned by Platinum Guild International and crafted by Ganjam, one of India's leading jewellers, Iruja is a water-inspired necklace that is a stunning cascade of platinum and diamonds.



Legacy

A few hundred years later, platinum has asserted its status as one of the most precious metals on earth. Who does not know the legend of the Koh-i-noor diamond on the British Imperial Crown? But did you know that this legendary diamond is set in platinum? Platinum has enjoyed its association with select members of royalty as well. Prince Edward VIII and Wallis Simpson and rock and roll legend Elvis Presley and his wife Priscilla and even Hollywood royalty Tom Cruise and Katie Holmes, all have exchanged wedding bands made out of platinum.



Created by Ginza Tanaka, one of Japan's renowned precious metal jewellery retailers, the world's most expensive handbag comes with detachable pieces that are stunning platinum jewellery on their own, including a 12 ct. brooch, diamond necklace and bracelet.



Designed by Chaumet, 'Diademe Josephine', a platinum ring with pear cut and pave diamonds showcases the jeweller's signature style at its best. Part of the Platinum Soulmate collection, this ring combines the simplicity of platinum with the clarity of diamonds.



The beauty of this exquisite evening watch lies in the classic design of its case. Graff, London, has chosen platinum for the watch's circular case and strap. The use of the naturally white, precious metal perfectly sets off the 30 carats of diamonds that are irregularly set to create an extraordinary sparkle.

Its versatility makes it the metal of choice for world renowned jewellers such as Cartier and Faberge. Today, platinum is being explored by famous fashion designers like Vivienne Tam and Giovanni Cavagna both of whom have used it to create special lines. It's this eternal aura of platinum that makes it so precious and desirable all across the globe.

Be a part of platinum's rare and precious legacy. Log on to www.preciousplatinum.in to view the latest collection and to find an authorised retailer closest to you.

Ashok Vemuri
Director, Head of
Americas, and Head,
Financial Services &
Insurance



THE NEW FACE OF INFOSYS

Who are the new helmsmen at the top at India's most respected company and what makes them tick?

By K.R. BALASUBRAMANYAM and JOSEY PULIYENTHURUTHEL
Graphic illustrations by SANTOSH KUSHWAHA

S.D. Shibulal
CEO & MD

V. Balakrishnan
Director & CFO

B.G. Srinivas
Director, Head
of Europe,
and Head,
Manufacturing

For those watching changes at Infosys, the feted Bangalore software services company, a story from 31 years ago will throw light on the DNA of the team taking over at the firm's helm. In a bout of temper while still an employee at Pune software services firm Patni Computer Systems, N.R. Narayana Murthy tells a junior colleague he should not leave office until he finishes a complex task assigned to him. Two days later, Murthy and his wife Sudha, on their way back home at 1 a.m. after a late night dinner, swing by the office. Murthy sees someone wearing a *lungi*, a printed *dhoti*-like garment worn mostly in south India, working at a computer.

The worker is at a distance and has his back to the couple. They ask the security guard, who is new and does not know Murthy, who the late-night worker is. The guard tells him it is an unfortunate guy under a bad boss, who has asked him not to go home until he completes his job.

The nightbird, who had clocked over 48 hours in office, was 25-year-old

S.D. Shibulal.

More than three decades later, on August 21 this year, that not-so-articulate geek, gadgets aficionado and technology sage, all rolled into one, took over as CEO and Managing Director at Infosys, which clocked \$6.04 billion in revenues last year – nearly double Tripura's domestic product.

In taking executive charge at Infosys, Shibulal, who still keeps long hours, is stepping into what are clearly big shoes. All the previous occupants of the Infosys corner office at its 81-acre campus in Electronic City, Bangalore, have been larger-than-life personas – partly because of the company's media savvy ways and the absence of too many other examples of exemplary corporate governance in India. CEOs of the past have been Murthy, among India's most visible businessmen; Nandan M. Nilekani, now a Cabinet minister-ranked government functionary; and Senapathy 'Kris' Gopalakrishnan, who doubled Infosys revenues in four years marked by the worst recession

Name: Sarojini Damodaran Shibulal
Designation: CEO & MD
Age: 56
Qualification: MSc (Physics), MS (Computer Science)
With Infosys since: Inception in 1981
Compensation in 2010/11: ₹1.08 crore
Stake in the company: 2.2%
Challenge: To make sure Infosys 3.0 is a success

since the 1930s in its biggest markets.

Not just that. The \$800-billion global market for tech services is in a state of extreme churn as the world's leading corporations see the ground below their feet giving way, with their home markets freezing over, and feel pressured to change business models in response to emerging markets. All this when Infosys's mojo itself is wearing off and rivals such as Tata Consultancy Services, or TCS, and Cognizant Technology Solutions grow revenues at a pace faster than before.

Then, if Murthy's advice, "Shibu, please take decisions, do not hesitate", to the 56-year-old CEO sounds like it has a ring of foreboding to it, it is time for a long look at the people, most unfamiliar to shareholders,

now at the top at Infosys. Some of these relatively unknown directors include Shibulal; Chief Financial Officer V. Balakrishnan; Ashok Vemuri, who heads financial services and America businesses; and B.G. Srinivas, running all manufacturing, and Europe operations.

Like a Swiss Watch

One of the many reasons why Infosys is a darling of the stock markets – it is valued at \$36 billion currently – is the predictability of how it sets its business targets and delivers profits. Almost as predictable has been how the founders, barring one (K. Dinesh, a quality expert), have got a shot at the CEO position even if they are in control of just 16 per cent of company's outstanding shares today. In

Shibulal's Visa Fix

2003/04: It takes Infosys 12-14 weeks to get a visa for its offshore employees

"If it continues like this, it will cripple our growth in future"

Shibulal sets up a team and pushes it. Goal: Digitise visa process, automate technical documentation, remove redundancies



Today, an Infosys employee gets a visa in seven days flat

fact, one of the founders said in an off-the-record conversation some years ago how it was clear "among the founders that they would look after one another". To that extent, Shibulal taking over as CEO was expected but little is known of the managerial style of the man whose early years were spent in south Kerala.

For colleagues, Shibu means both a disciplinarian and a taskmaster who gently but firmly gets jobs done. He not only marks important tasks assigned to others on his calendar, but has a very effective, even if irritating, habit of following up until the job is done. In his early days at Infosys, Shibulal was quite forgetful and was known to forget the first couple of important tasks Murthy assigned him. He remembers it was Murthy who helped him overcome this failing by gifting him a diary "when I could not afford one", and asking him to put down in it tasks he was supposed to handle.

An ex-colleague finds it difficult to think of Shibulal not in track of deliverables. "He was the first among the founders to have full-fledged office staff; even before Murthy. And, his office [staff] is still entirely with him, including his driver," says this person, requesting anonymity. Srinivas, who runs a \$1 billion business for Infosys serving manufacturing clients, says at Infosys, "all processes and systems in operations, [setting] profits of projects, systems to build quality... all have been decided by Shibu. He is passionate about it and so drives it". In other words, a very operations-strong CEO.

Shibulal, together with Gopalakrishnan, is credited with readying the vision and the plan for what the company calls Infosys Version 3.0, an ambitious plan to transform the company like never before. Ambitious, because a crucial target in the transition, says CFO Balakrishnan, is to have a third of Infosys's revenues coming from products and so-called platforms, up from the current eight per cent. To date, the company has just one product, in banking software Finacle, which can claim success with some \$300 million in annual revenues.

The new CEO is clear that Version 3.0 will not be rendered overnight. "Look at Infosys in the past," says Shibulal. "Our global delivery model took six to seven years to get there. Infosys 2.0, where we brought down application, development and main-

INTERVIEW ▶

"Still Four Years for Transition to Pure Professionals"



At 63, KUNDAPUR VAMAN AKAMATH is starting all over again. He shares his views on Infosys with BT's **ANAND ADHIKARI**. *Excerpts:*

On expectations from him:

To say that there is a change at the chair level and, hence, everything would be reset would be wrong. Infosys is a stronger and deeper organisation. The board and the chair would lend their shoulder and act as a wise counsel to the executive management.

On governance practices:

The Infosys board processes are well set. There are processes that we have in ICICI Group which were set under or at a time when Murthy was on our board. To that extent, there is a commonality at ICICI and Infosys. I don't think there is anything new to be done.

On leadership development:

The leadership process is well set in the company and we will have to make sure that it endures. The key difference here is that we are also seeing a transition from professional founders to professionals who will lead this company in the future.

On doing something like ICICI Group where he promoted young leaders:

The leadership slate is quite young at Infosys. The way we have looked at ICICI is probably different. In the case of Infosys, there is no rush... It also gives them (young leaders) fairly long tenures in existing jobs, and then they move up. The best way to ensure continuity is to make sure that we have a strong slate within the company which is tried and tested, and can lead the company.

On transition from professional founders to pure professionals:

There is no urgency at all. The reason is we have a long time... It is a seminal change. It is a change from professional founders, who still have a very significant stake in the company, to an outside set of professionals, who have to carry forward the legacy and meet the expectations of a wide set of constituents.

On his friend N.R. Narayana Murthy:

The only common passion we have is leadership development and professional leadership. These are the ones that really kept us aligned.

Name: Venkatram Balakrishnan
Designation: Director & CFO
Age: 47
Qualification: BSc, ACA, ACS & AICWA
With Infosys since: 1991
Compensation in 2010/11: ₹2.61 crore
Stake in the company: 0.08%
Challenge: Saving profits from currency volatility

tenance from 90 per cent to 30 per cent of our revenues lasted about 11 years." He points to the R&D lineage of the company, saying it has filed for 400 patents in the last three years after not filing for any in the previous 27.

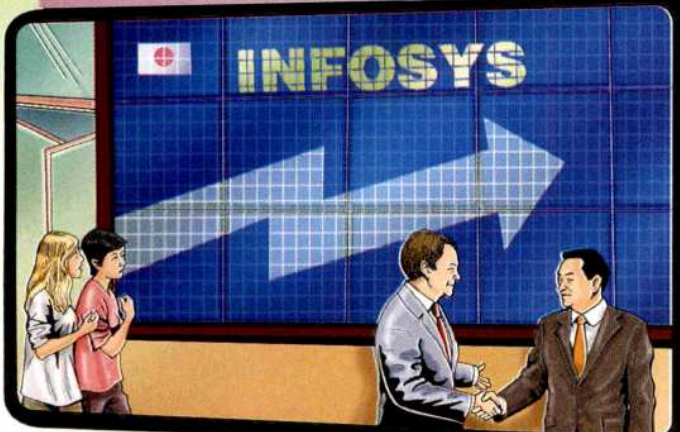
Helping Shibulal make the transition is Balakrishnan, who not many people know was Infosys's first chartered accountant

Bala Looks East

Infosys has some of India's largest share sales to its credit. In a 2002/03 secondary offering, Bala has an idea...

"Why don't we market this to investors in Japan?"

Infosys reserves 20% of share sale for Japan, increasing demand and lowering risk in the issue. The Infosys brand also becomes visible among Japanese investors and enterprises



when he joined the company in 1991. Among the early wave of migrants from Chennai to Bangalore in search of a career in accounting, Balakrishnan's first job was at Amco Batteries. His mother did not like it when Balakrishnan decided to move to the little-known Infosys. The word, software, was not yet magical. "I joined this company as a rookie and most of my learnings to complete me as a professional happened here," says Balakrishnan, who played an important role in the company's IPO in 1993, and helped build up some \$4 billion in reserves.

Number Theorist

Gopalakrishnan, now Co-Chairman, points to how an idea by Balakrishnan to capture a new set of investors for Infosys in Japan in a 2002/03 secondary offering yielded rich results. "It was because of his strategic thinking and understanding. We allotted 20 per cent of the stock to Japan, actually we could have allotted 100 per cent. The demand was so much in Japan," says Gopalakrishnan. (See *Bala Looks East*.)

Company insiders say Balakrishnan's approach is very different from former boss and CFO T.V. Mohandas Pai's in-your-face style. It is more quiet and calm. The 20 years at the company have welded Balakrishnan firmly to the founders' way of thinking. The Infosys philosophy of focusing on profit margins even if it means foregoing revenues, for instance, is the reason industry executives and analysts believe, its rivals TCS and Cognizant are steaming ahead on revenue expansion. "A different lens is surely required at Infosys. But my gut feeling is that Bala would agree to compromise on what he has always believed in, what has been ingrained in him, only to a small extent," says the unnamed ex-Infosys employee quoted earlier. In his defence, Balakrishnan says with a chuckle that is his trademark at investor roadshows and analyst presentations: "Expectation from us is very high. We are like Sachin Tendulkar. Even if we hit 100, people demand 200."

When asked if new Chairman K.V. Kamath's aggressive focus on growth, which he exemplified at ICICI Bank, whose assets he grew 3.5 times in seven years to ₹3.79 trillion (1 trillion equals 100,000 crore), will rub off on Infosys, Balakrishnan turns more serious. "Certain things will not change," he



KINETIC PERPETUAL.
IMAGINE A WATCH THAT SLEEPS FOR FOUR YEARS,
AWAKES AND REMEMBERS.



SEIKO

DEDICATED TO PERFECTION

PREMIER. Since 1881, SEIKO has been dedicated to expanding the horizons of watchmaking and SEIKO Kinetic takes this tradition forward once again. Powered by the motion of your body, it is the first watch to generate and save its own electricity. Today, the revolution continues with new Kinetic Perpetual. It goes to sleep when you do not wear it, and the hands return automatically to the correct time when you put it on again. Energy is saved. Power reserve is extended for up to 4 years. And since it has a perpetual calendar, correct until February 28, 2100, the secret of longevity is now yours. seiko.in

Available at: **SEIKO BOUTIQUE** #125, 1st Floor, Express Avenue, Whites Road, Royapettah, Chennai. Ph-28464994
Also available at all Leading Multibrand Watch Outlets

insists. "Kamath is Chairman of the board, he is not going to run this company. Shibu and Kris will run the company. Kamath will look after board structure, corporate governance, succession planning, etc. We will absorb Kamath's inputs." This is the predominant view among the 13 members of Infosys's executive council, which functions one level below the board of directors and has a big say in important decisions.

Team-A, Again?

Part of the reason for Infosys's success in the last three decades has been the different roles its team members played. Murthy and N.S. Raghavan were the brilliant strategists; Nilekani a furious networker; Phaneesh Murthy, now heading up-and-coming iGate, the star salesman; Gopalakrishnan and Shibulal, the hardcore implementers; Dinesh and Srinath Batni, its quality auditors; Pai and Balakrishnan, astute bean counters; and so on.

At some level, Infosys, say people who have known the company and these people closely, is returning to the team of its heyday, especially with the entry of Vemuri and Srinivas onto the board. "There are now people from the market, from the field on the board. This brings a strong feel for the mar-

With the induction of Ashok Vemuri and B.G. Srinivas on to the board, many believe the leadership at Infosys is getting back to the A-team of its heyday

Name: Bangalore Gangaiah Srinivas
Designation: Director, Head of Europe, and Head, Manufacturing
Age: 50
Qualification: BE in Mechanical Engineering
With Infosys since: 1999
Compensation in 2010/11: ₹4.93 crore
Stake in the company: 0.01%
Challenge: To sustain growth in manufacturing and in Europe

ket and voice of the customer to the board. The last time this happened was with Phaneesh," says a second Infosys executive, who quit a senior position with the company earlier in 2011. This person also did not want to be named.

Vemuri, the man responsible for the \$2 billion revenues coming from Infosys's banking and financial services clients, is one of two people the senior Infosys executive is referring to. But being well entrenched in the US market can also be risky when the world's biggest economy struggles after three years of recession and tepid expansion – its growth has been 1.1 per cent in 2008, minus 2.6 per cent the next year and 2.8 per cent in 2010 – and shows no clear signs of getting back on track. A product of St. Stephens College in Delhi and IIM-Ahmedabad, Vemuri is battling pricing pressures and trying to strengthen value-added service offerings so that overall mar-

Quick Gun BG

When Infosys's Europe head resigned in 2004, the company needed a replacement in 24 hours. Shibu turned to B.G. Srinivas, running enterprise services in Bangalore then, who asked for time to get back

He called his wife and within five minutes was back to Shibu: "I will take it"



For the precious few
who value the invaluable



Located on the
6-lane Gurgaon-Faridabad Expressway.
10 minutes from Chattarpur, via Mandi Road farmhouses.
0 Km from South Delhi.

PROVENCE ESTATE

- Nestled in the plush environs of Aravalis Green Belt with a grand Golf Course view
- Ultra luxurious 160 sky villas (5,800 sq. ft.) and 16 Penthouses (10,000 sq. ft.) in four majestic towers of 24 floors each
- Four sides open living spaces • Select, Elite Gentry • Floor to ceiling height – app. 12 ft. • Multi level security system
- Fully equipped gym, spa and club house • 10 acres of French landscaping
- Fittings and fixtures from world's best brands • VRV air-conditioning
- Personal splash pool and dedicated elevators • Various sports facilities

Project designed by
World-renowned Architects & Engineers:
CP Kukreja Associates

PMC Advisor: **AH Jones, UK.**
Constructions: **Ahluwalia Contracts**
Landscape Consultants:
Ruben Anderegg Associates, Switzerland

CONSTRUCTION COMMENCED
Sample Flat Ready

provence
ESTATE

KRRISH GROUP

Email: info@provence-estate.com • Website: www.provence-estate.com

Toll Free No: 1800 102 1166

Name: Ashok Vemuri
Designation: Director, Head of Americas, and Head, Financial Services & Insurance
Age: 43
Qualification: MBA from IIM-A
With Infosys since: 1999
Compensation in 2010/11: ₹5.32 crore
Stake in the company: Nil
Challenge: Not to drop the ball in financial services

gins hold. "As long as you stay in the commodity business, the opportunity to increase pricing is very limited. But if you provide value-added business, which our clients are not able to do or find with others, cost is not an issue," says the former Bank of America and Deutsche Bank executive, adding the percentage of value-added business at Infosys has gone up three times in the last two years.

An admirer of Jamie Dimon, who is arguably the only Wall Street CEO to have built two world-scale banks in Citigroup and JPMorgan Chase, where he is the current CEO, and ex-boss Nilekani, Vemuri was mentored initially by Pai and later by Murthy himself. With his mentors now not in the fray – Pai has left the company and Murthy is Chairman Emeritus but does not have an executive role – it is now Vemuri's turn to play his part on the Infy board and match Pai in "matching aggressive thought with action". (See 'Stretch Goal' Vemuri.) It is an important strand in his thinking. "An important role of a manager is to groom juniors and eventually become redundant so that the competent amongst the juniors can take over," Vemuri told *BT* in an earlier interview in 2008.

Vemuri joined Infosys in 1999, the same year the company recruited Srinivas, or BG to colleagues, from power and automation major ABB. At the time, Infosys's enterprise applications business was just about \$3 million, and he took it from there. "BG built the enterprise business practice. We had started in 1997/98 and closed it," says Gopalakrishnan. "He made it a success; it now accounts for \$1 billion in revenues."

Srinivas has been an important team member in de-risking the Infosys business: when he moved to Europe, the US made for 85 per cent of its business. From 14 per cent in 2004, he has taken the company's Europe revenues to its peak of 26 per cent three years ago (it is about 22 per cent today) when it crossed the \$1 billion milestone. The business that he heads today, serving manufacturing clients, is worth more than \$1 billion in revenues.

An out and out Bangalore boy – a product of National College and the University Visveswaraya College of

'Stretch Goal' Vemuri

In a Chairman-level decision, one of Infosys's biggest clients wanted the company to set up a support operation in Latin America, a location where Infosys had no presence. In 30 days flat



Vemuri, who runs the biggest business – banking and financial services – for Infosys had it running



The only good watt is a negawatt



Due to intrinsic inefficiencies, 25 units of energy consumed at the point of use in India require 100 units of primary energy**

What's a negawatt? The one you didn't use.

Energy saved is money saved

Yes, the smart grid is coming and we can all look forward to the innovations it will bring. But can we really afford to wait? We need a solution that will save us energy today while we get ready for the smart grid tomorrow.

Introducing EcoStruxure: Active Energy Management Architecture from Power Plant to Plug™

EcoStruxure solutions from Schneider Electric™ can reduce your energy use by up to 30% right now. End-use efficiency is where our focus needs to be! The percentage of revenue spent on energy by companies could reach 30% by 2020. And there is an urgent need to reduce CO₂ emissions, especially as energy demand escalates. Energy management is the key – the fastest and most effective solution to curb greenhouse gas emissions while improving business performance. In fact, by 2030, energy efficiency and behaviour change will offset more CO₂ than all the new wind, solar, and other alternative energy generation methods combined.*

EcoStruxure



EcoStruxure solutions cut energy costs today

As energy prices continue to climb, every unit of energy you save matters. One unit saved at the point of use means four units of primary energy not consumed. Today, only EcoStruxure: Active Energy Management Architecture can deliver up to 30% energy savings across your buildings, industrial plants, and data centres. You deserve an Efficient Enterprise™!



Get smarter about energy.

Download this White Paper, 'Growing a Green Corporation', a ₹11000 value, for free and register to win an iPad!

Visit SEReply.com Key Code 43689y

Call 1800-180-1707/1800-103-0011

Schneider
Electric

An ambitious new business model at Infosys – CEO Shibulal calls it “like changing the engine on a flying airplane” – hinges on the founders handing over the baton smoothly to a crop of professional leaders

Engineering – Srinivas has moved in and out of his hometown with flexibility. (See *Quick Gun BG.*) “In Infosys I have been through relocations across continents three times. I moved to the US in 2002, then moved to Bangalore, and a year later to Europe,” he says on the phone from his Canary Wharf, London, office. Srinivas says he is lucky to have worked in ABB, which had the celebrated Percy Barnevik as CEO when he served there, and Infosys. “Both the companies have built a work culture that is open, objective and full of trust in employees. No supervisory control. This allows you to experiment and demonstrate commitment,” he says.

Industry veterans believe the change in management at the top at Infosys will not have an immediate impact because the new team is full of old faces except for Chairman Kamath. If any big change has to happen, it is likely only after a year when Murthy stops being part of decision-making, predicts the ex-chief executive of a rival firm, requesting anonymity.

The Next CEO

But the current phase, as Gopalakrishnan himself says, is one of big change. “For the first time the company will run without Murthy being involved. And it is the first step towards a future date when no founder will be involved,” he says. When that happens, it is reasonably certain that the early non-founder CEOs will all be from within the company. Having built a solid set up to shape future leaders – a leadership centre at Mysore, a vibrant executive council, a closely guarded list of 50 top executives – Infosys has the depth to do so entirely on merit. “The cultural orientation and the long term perspective that a committed and loyal employee brings is worth more than the possibly short-term and instant results from a relative outsider,” says Priya Chetty-Rajagopal, Vice President with global executive search firm Stanton Chase.

Viewed from that prism, it is certain that Vemuri, Srinivas and Balakrishnan are likely to have the first chance to be the next CEO at Infosys when Shibulal steps aside. And as much as it is an open race, there are already wagers being placed in the company. Vemuri runs the biggest business at Infosys and is “an out and out salesman, all aggressive and high energy”, says the ex-Infosys worker who knows the three well. Srinivas, this person says, is “very strategic, focuses and prioritises well; and importantly is a people person”. Balakrishnan, for now, is seen as an outlier since he has run a function, not a business on his own. This view on the trio resonates in various interviews with people in and around the company.

The outlook for these three new directors – each watched closely by shareholders – of Infosys is best captured by an earthy piece of advice put forward by the former senior Infosys executive: *Jo poori layega, woh upar jayega*, which roughly translates as: “He who brings in the bread will get the leg-up.” ♦





Dove Hair Fall* Rescue,
Reduces hair fall from
100 to 2

Did you know, on an average you lose up to 100[#] strands
of hair every day? But not with New Dove Hair Fall Rescue.

Enhanced with Micro Moisture Serum, it dramatically reduces
hair fall from 100 to just 2; so that you don't lose your
precious strands to the comb. Try Dove and see the difference.





Dare to bare naturally glowing skin with Dove.



Take the Dove 7 Day Test and step out without make-up. Dove is different from soap. With $\frac{1}{4}$ moisturizing cream, Dove deeply nourishes for softer, smoother, more glowing skin. Try Dove for 7 days and discover your skin's natural glow.



Like us  at www.facebook.com/dove

Based on a 7 day consumer study conducted in November, 2009 as applied ordinary alkaline soaps.

The Most Powerful Women in Indian Business

I saw my life branching out before me like the green fig tree... From the tip of every branch, like a fat purple fig, a wonderful future beckoned. One fig was a husband and a happy home and children, and another fig was a famous poet... I wanted each and every one of them, but choosing one meant losing all the rest...

Sylvia Plath,
The Bell Jar, 1963

For generations, the choice between the domestic idyll and a career has been the unique dilemma of women. This issue of *Business Today* celebrates those who have tackled it head-on. There have been sacrifices: being unable to meet a dying father, delaying marriage, getting little time with children. But *BT*'s eighth annual list of the Most Powerful Women also tells stories of dreams come true. The 56 women featured in these pages not only chose their figs, but also planted trees and saw them blossom.

The list of the 25 Most Powerful Women is followed by one of 25 to

watch out for. There is also a discussion on why many women quit their careers and an article on what makes a successful businesswoman. Ajay Bose writes on Mayawati's politics, and Rama Bijapurkar on why there are so few women on boards. There is also an interview with Ripa Rashid, co-author of a book on the role of women in emerging markets.

The package opens with the Hall of Fame, featuring six women who have made it to the Most Powerful Women list for the past seven years. *BT* Associate Editor **Shweta Punj** spoke with them. Their group photo has its own back story. After scores of phone calls, *BT* fixed a time for the shoot in Mumbai. Some rescheduled engagements, and one chartered a jet. As if juggling six schedules was not complicated enough, a *bandh* was suddenly declared. Fortunately, it was called off, and everything worked out. The picture, like the women themselves, is for real. ♦

Q

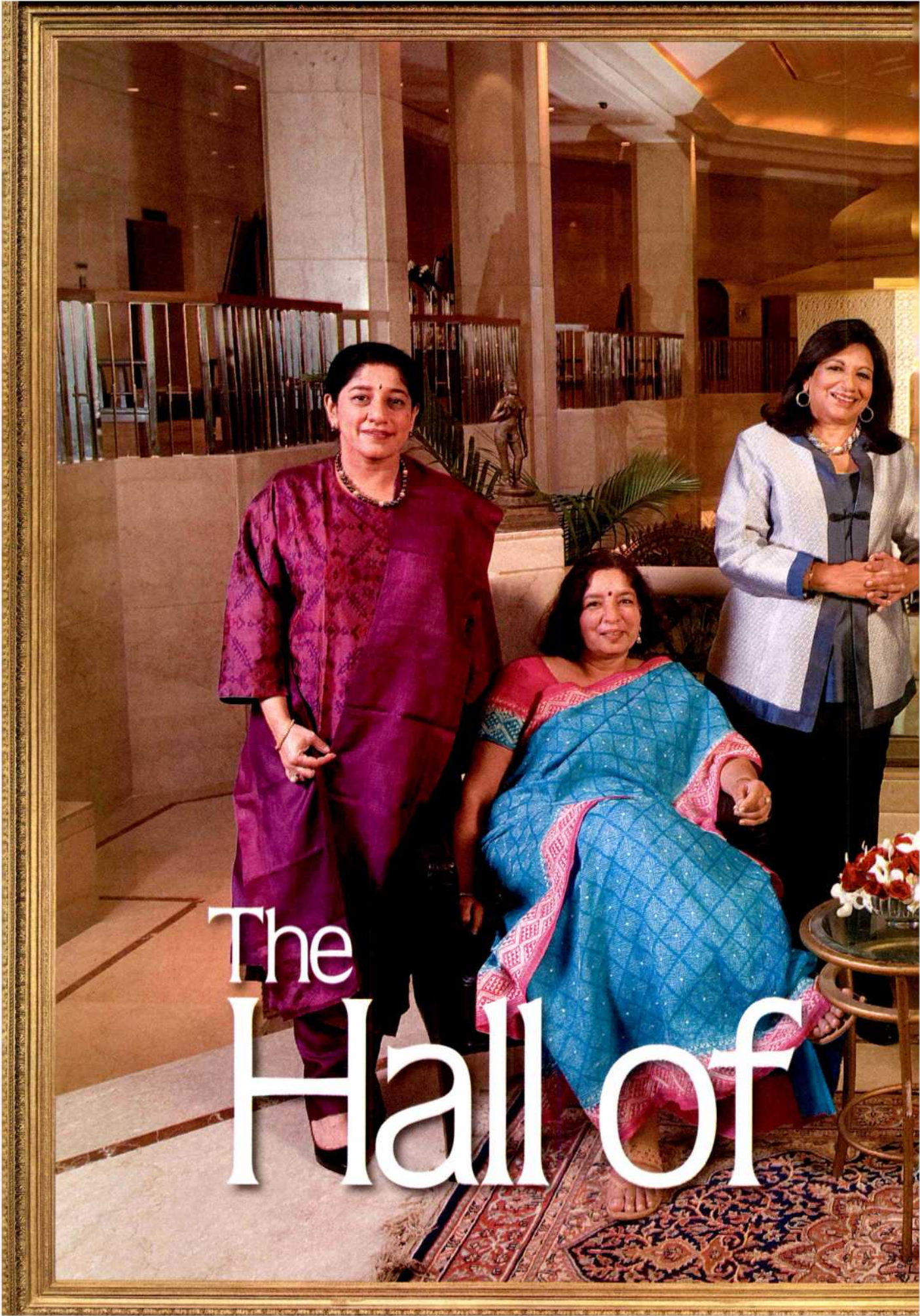


Q

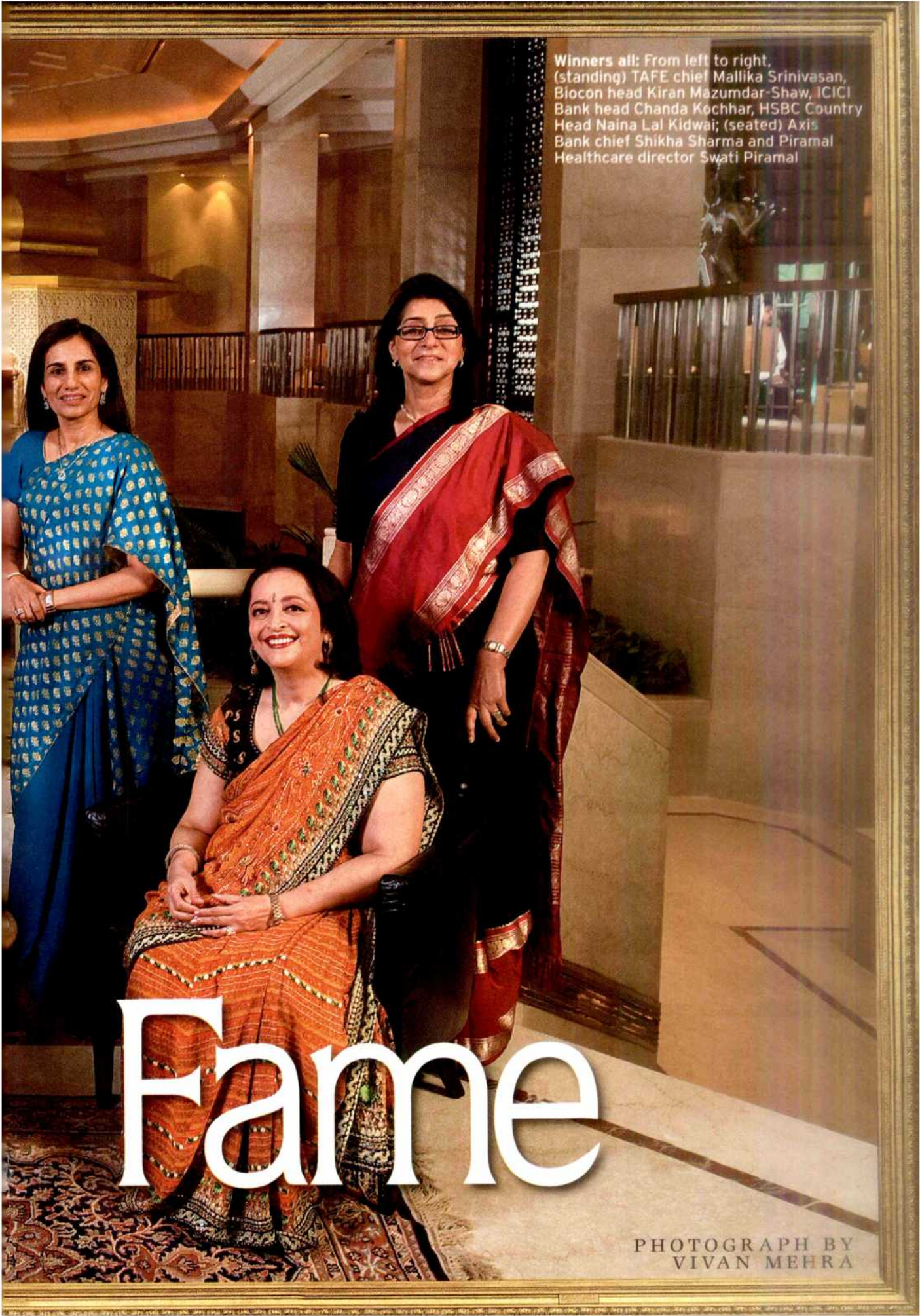


Q



A photograph of three women in a grand hall, framed by a gold border. The woman on the left stands in a purple sari. The woman in the center sits on a patterned rug in a blue and pink sari. The woman on the right stands in a grey and blue jacket. The background shows a staircase and a statue.

The Hall of

A photograph of three women in sarees standing and sitting in a grand, ornate hall. The woman on the left is standing, wearing a blue saree with a gold pattern. The woman in the center is standing, wearing a red and black saree with a gold border. The woman on the right is seated, wearing an orange and black saree with a gold border. They are all smiling. The background shows a large, ornate hall with a staircase and a statue on a pedestal.

Winners all: From left to right, (standing) TAFE chief Mallika Srinivasan, Blocon head Kiran Mazumdar-Shaw, ICICI Bank head Chanda Kochhar, HSBC Country Head Naina Lal Kidwai; (seated) Axis Bank chief Shikha Sharma and Piramal Healthcare director Swati Piramal

Fame

PHOTOGRAPH BY
VIVAN MEHRA



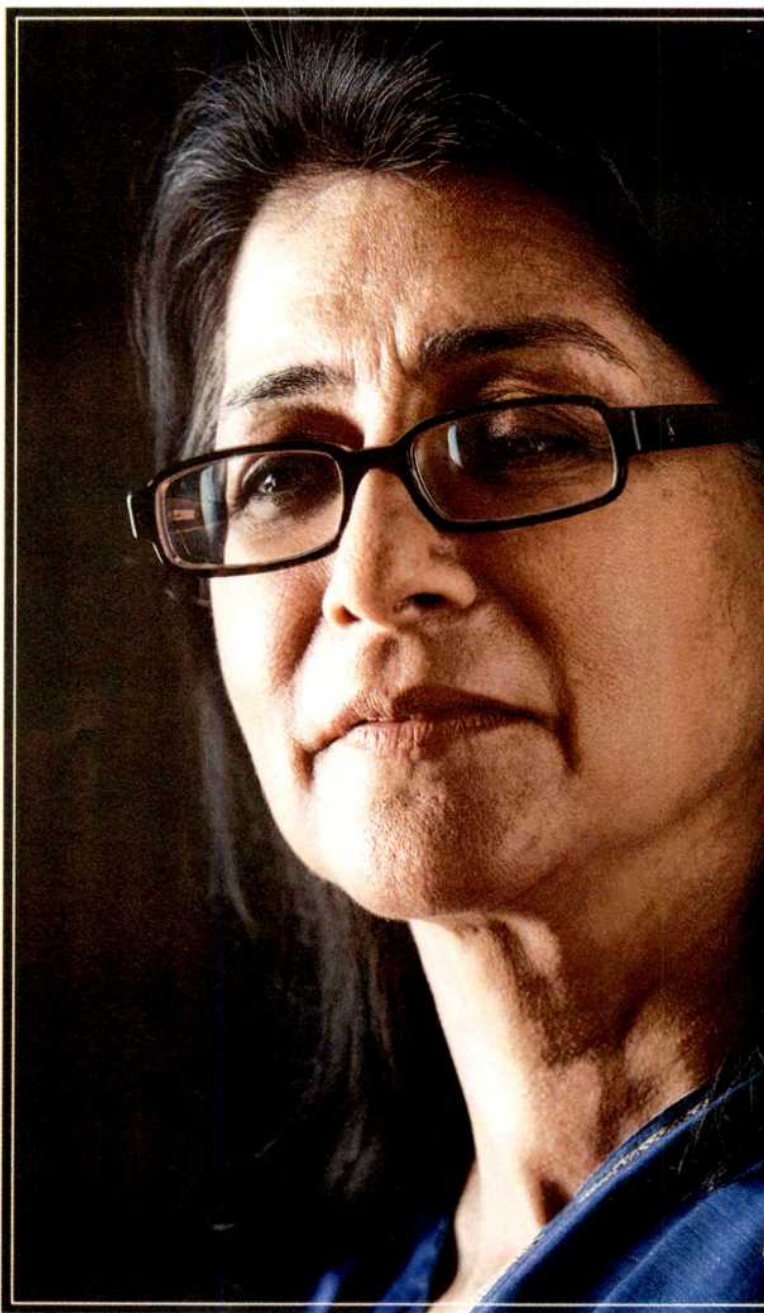
Trailblazing Dealmaker

A role model for Indian women in financial services, Naina Lal Kidwai is all grit behind the genteel persona

Long before the expression 'dealmaker' became commonplace in India, Naina Lal Kidwai, 54, currently country head of HSBC, was one of the biggest dealmakers in the country. It goes without saying that she was also one of the first women to enter the formerly male bastion of investment banking and rise spectacularly. "When I embarked on this journey, I didn't think women would be where we are today. It is very gratifying," she says.

Her first job, decades ago, was with Price Waterhouse, now PricewaterhouseCoopers. An economics graduate and a chartered accountant, she was bluntly told during the job interview that the firm did not employ women. Yet it hired her as an articled clerk.

The list of Kidwai's firsts is staggering: she was the first Indian woman to graduate from Harvard Business School, or HBS; the first woman to be hired by Price



RACHIT GOSWAMI/WWW.INDIA TODAY IMAGES.COM

Waterhouse in India; the first woman to lead a private bank in India. Kidwai says she had to work "very hard" to find her space among the men.

"I am very inspired by her," says Smita Nair, director of investment banking at HSBC Securities and Capital Markets (India), who has worked with her for six years. "I want to be like her."

Kidwai reveals she was the first woman in her family to work. "I come from a very conventional north Indian family," she says. "But my parents had aspirations for their children, and because I didn't have a brother those aspirations were transferred to me and my sister." She studied for a Masters in Business Administration at a time when her friends were mostly getting married. She was the youngest member of the HBS class of 1982. "It was good to know I had cut it," she says. Was current Chairman and CEO of General Electric, Jeffrey Immelt, a classmate? Indeed he was.

The years at Harvard, Kidwai says, altered her world view and greatly influenced her leadership style. Kidwai is charming, highly amiable, and possesses a lot of pizzazz. "The amazing thing about Naina is that everyone feels comfortable approaching her with any problem – personal or professional," says Ravi Menon, Managing Director and Head of Strategy at HSBC India. "Her opinion is always honest and direct."

Behind the genteel exterior, however, is a woman who has engineered some of the biggest deals in post-liberalised India. She arranged funding for infotech giants Infosys and Wipro; managed the initial public offerings, or IPOs, of Maruti Udyog and Bharti Tele-Ventures; was one of the key forces behind the Morgan Stanley-JM Financial joint venture and its subsequent turnaround, making it one of the top investment banks in India.

"I am proud of every deal," she says. "Doing deals is like having children. You enjoy them for what they are. The harder deals are more gratifying."

Despite her degrees and soaring career, Kidwai says she often faced tremendous pressure to give up. Her mother often asked

CAREER TURNING POINT

Harvard Business School

WHEN THE GOING GETS TOUGH

It's time to reflect, to pick oneself up and try again

BUSINESS PERSON I ADMIRE THE MOST

Can't name one as I have many role models, both global and Indian, each for his or her specific strengths

PRICE I PAID TO BE HERE

What price? It's been a great ride

BIGGEST ADVANTAGE OF BEING AN MPW

The warmth and friendship of some of the most capable people on the planet

LAST TIME I USED MY MPW TRUMP CARD

Still holding on to it

her to quit once Kidwai herself became a mother. "You constantly have people telling you managing a home and a career is really difficult, are you sure you want to do this? People told me this all the time."

But she persevered, inspired primarily by her father. "If I had stepped away, it would have reflected on all women," she says. "My whole experience was to show how to do it."

There were no flexible working hours those days. Washrooms for women were usually located in a dark, dingy corner of the office. There were no laptops – reams of paper had to be carried home in bulky folders to work on at night.

Three decades of long hours, meetings at odd hours and constant travel have meant that Kidwai has missed attending important birthdays, anniversary celebrations, festivals and other important family moments. "My father was unwell but I kept delaying going to see him for three months," she says. "Two days before I was to see him, he passed away." Even now, Kidwai works out of two offices, one in Delhi and the other in Mumbai.

Apart from her father, Kidwai has drawn inspiration from "ordinary people who do extraordinary things". She remembers a subordinate during the 1993 riots. "Bombay was completely shut down," she says. "I went to work. But my executive assistant also came to work. She had to leave her three-year-old child with a neighbour. That was her work ethic."

After years of hectic deal-making and negotiations – during her 13 years at ANZ Grindlays, eight at Morgan Stanley and nearly a decade with HSBC so far – she is gearing up to do some pioneering work in water conservation and women's empowerment. She is also a non-executive director on the board of Nestlé, a member of the Audit Advisory Board of the Comptroller and Auditor General of India, and on the governing board of the National Council for Applied Economic Research.

At 54, she says she feels as enthused as when she started. "I thought 54 was an age when you get old, dull and retire. But I am nowhere near retiring!" ♦



Turnaround Tsarina

A colleague of ICICI Bank CEO Chanda Kochhar says she is so capable that she could even command an army

Dressed in a deep pink *bandhni* sari, her hair impeccable as usual, she walks in for the meeting tall and straight, with an easy air of confidence. Her colleagues say that every minute of her day is accounted for, from the time it takes her to walk to the lift, to the time she spends with investors, clients, colleagues, and even the occasional journalist. Chanda Kochhar, Managing Director and CEO of ICICI Bank, India's largest private sector bank, could even "command an army", according to its Chief Human Resources Officer, N. Ramkumar, who has worked with her for 10 years.

Kochhar joined ICICI in 1984 as a management trainee. She was 22, and ICICI was still the Industrial Credit & Investment Corporation of India (ICICI Bank was formed in 1994). The man who hired her, Managing Director and CEO



RACHIT GOSWAMI/www.indiatodayimages.com

K.V. Kamath, remembers being impressed by her focus.

For Kochhar, making inroads in a male-dominated field was a challenge. ICICI was then a development finance institution that lent to companies. "It was not easy to visit a factory," she says. "There was a lot of social pressure – people didn't expect a young girl could check machines."

Sitting in her functional yet elegant office in Mumbai's Bandra-Kurla Complex, the hub of the financial services industry, she talks about the values she grew up with: integrity and perfection. These are just two of the attributes that have made her one of the country's most capable business leaders.

Kochhar's achievement is all the more remarkable, considering her father died when she was 13. Three years later, the family moved from Jaipur to Mumbai. Years later, as a hard-nosed banker, she would buy one of the largest banks in her home state – the Bank of Rajasthan. Despite 30 years in Mumbai, she cherishes her Rajasthani heritage, as her *bandhni* sari suggests.

What drives her steely determination to get what she wants? She says: "My passion lies in the pursuit of excellence – can I do it very well, better than others?"

Kamath recalls the time when Kochhar was given charge of corporate banking, in 1993. "This was the first time ICICI had to meet clients. She set up, for the first time, client relationships. And the annual target I had set, she achieved in the first quarter."

For the seemingly conservative Kochhar, the climb to the CEO's office was arduous. Not only did she fight one of the toughest succession battles in corporate India, she also steered the bank through one of the biggest downturns in recent history, taking the helm in May 2009.

Chief Financial Officer N.S. Kannan, an old-timer at the bank, points out that the 2008 global financial crisis led to a ₹1,050-crore decline in ICICI Bank's profit after tax for 2008/09. In December 2008, Kochhar, then Joint Managing Director and group CFO, was named Kamath's successor. "She did not lose her composure for even a day," says Kannan.

**CAREER
TURNING POINT**
Being asked to
build ICICI's
retail business

**WHEN THE
GOING GETS
TOUGH**
It is important
to stay calm
and focus on
the task at
hand

**BUSINESSPERSON I
ADMIRE THE MOST**
I have been
fortunate to
come into
contact with
many business
leaders,
and learnt
something
from the
journey of
each person.
So all of them
have been an
influence

**PRICE I PAID
TO BE HERE**
It has taken
hard work to
get here. But
I followed this
path out of
choice, so I
don't think I
paid a price

**BIGGEST
ADVANTAGE OF
BEING AN MPW**
The chance to
be an example
for young
women, and
showing them
it is possible
for a woman
to have a full
and rewarding
career

Kochhar, who says she believes in "recognising challenge in its entirety, and taking it head on", led a quick turnaround. She consulted her core team and worked out a new strategy. The 4C strategy – cost, credit, CASA (current account and saving account) ratio, and capital – marked a significant shift from ICICI Bank's strategy of powering its growth with retail loans.

Within a few months of taking up the top job, she managed to get the board's approval for the strategy without much trouble. The decision-making process was democratic, and after the strategy was finalised, it was explained to every employee.

Kochhar's first big step as CEO worked. The bank reported a 30 per cent jump in profit for the first quarter of 2011/12, and expects to maintain its net interest margin – a key measure of profitability – at 2.6 per cent for the year. At a time when most lenders have reported a drop in interest margins, Kochhar's script has played out on cue.

Her colleagues say she wastes no time in taking crucial decisions – she decides and gets on with the job. In 2000, Kochhar, who was only 36 then, was asked to move out of corporate banking – which she had built into a big revenue earner – to head the fledgling retail division. Kamath, who recommended her for the job, says she was concerned about her own lack of retail banking experience, and needed some convincing. And although it was a tough decision for her, she took only a day to make it.

Soon after she took charge of the retail business, it became a leader in its segment. She says matter-of-factly: "New tasks will be unknown. You learn, grow and evolve."

Kochhar has balanced family and work for three decades. "You often feel as if you are walking a tightrope," she says. "Demands do not go up or down – they are constantly there. Often, you feel you are doing too much."

An intensely private person, she has just one family memento in her office – a framed painting by her daughter Aarti Kochhar. Her eyes light up, and her businesslike demeanour vanishes briefly, as she says: "My daughter is extremely proud of me." ♦



Of a Different DNA

Kiran Mazumdar-Shaw made several unusual choices on her way to building Biocon into a billion-dollar business

It takes originality and a strong will for a woman to first study brewing, and then to turn to a nascent industry when hurdles in the brewery business prove insurmountable. Kiran Mazumdar-Shaw, Chairman and Managing Director of Biocon, India's first biotechnology company (it was set up in 1978) has plenty of both. As someone who made unconventional choices – brewmaster, biotechnology pioneer, to personal life choices (she married at 44) – she says she admires people who dare to do things differently.

Her confidence, and her conviction in her idea at a time when the biotechnology industry barely existed, impressed Narayanan Vaghul, former chairman of ICICI Bank and founder of ICICI Ventures, at their first meeting. "It was difficult to not to place faith in her... she walked into my room, we spent half an hour talking,



DEEPAK G. PAWAR/www.indiatodayimages.com

and I could see she had fire in her belly."

Mazumdar-Shaw, for her part, says Vaghul funded a technology that proved crucial for her business. "When I wanted to scale up our technology, I could not find anyone in India," she says. "There was no venture funding. No bank wanted to touch it. Nobody wanted to fund a home-grown technology by some young scientist. But Vaghul said: 'These are exactly the kinds of things we want to fund in this country.'"

Mazumdar-Shaw used that technology to develop enzymes for Ocean Spray, an American fruit juice company. "Till today, that enzyme has not been replaced," she says with pride. "It feels so good that we did all that here, in Bangalore."

Biocon, today a billion-dollar company and Asia's largest biopharma concern, started in the garage of Mazumdar-Shaw's rented home in Bangalore, with seed capital of ₹10,000 (around ₹4 lakh today). When she set up what is now one of the top 20 biotechnology companies in the world, banks wanted her father to be a guarantor. Mazumdar-Shaw disagreed on principle. "I would argue that I am Managing Director, and bank norms require the MD to stand guarantee," she says. "Why am I different?" When she met the General Manager of Canara Bank at a friend's wedding reception, she complained about the bankers' attitude. The next day, the manager called her to say the loan had been sanctioned.

The company's shift in the late 1990s from enzymes to biopharmaceuticals made global scale possible. But for Mazumdar-Shaw, the eureka moment was its 2004 initial public offering, or IPO. It was oversubscribed by 33 per cent. "See, until you have worked hard and go for an IPO, you will not realise the value of what you have built."

If Mazumdar-Shaw had succeeded at becoming a brewmaster, Biocon would probably not exist. But in the 1970s, brewing was a male-dominated industry, and she could not get a job. She says: "The words were: 'You're a woman. It is difficult for a woman to deal with labour unions. You are high-risk. Can you command the respect of your male colleagues?'" Today, things have

**CAREER
TURNING POINT**
Transforming
our business
from industrial
enzymes to
biopharma

**WHEN THE GOING
GETS TOUGH**
It brings out
the best in me

**BUSINESSPERSON
I ADMIRE
THE MOST**
As a business-
woman,
I admire
Indra Nooyi,
because of
the way she is
transforming
Pepsi into
a 'healthy'
fast food
organisation

**PRICE I PAID
TO BE HERE**
I don't think
of it that way!

**BIGGEST
ADVANTAGE OF
BEING AN MPW**
I can influence
change

**LAST TIME I
USED MY MPW
TRUMP CARD**
You don't
need to 'play'
this card.
MPW is a
membership
card to the
league of
business
leaders

changed drastically. "It is interesting to see how the people who said, 'I have 15 minutes for you' are in awe of me."

Mazumdar-Shaw, who is one of India's richest women, says she is a self-taught entrepreneur. Among the influences in her life, she counts Vaghul, the banker who thought differently; Raghunath Mashelkar, promoter of science and technology in India; and cardiac surgeon Dr Devi Shetty, architect of the world's cheapest health insurance scheme.

But there is reverence in her voice when she talks about her father, whose ashes rest under the almond tree outside her office. At a time when fathers did not take their daughters' intellect very seriously, Mazumdar-Shaw says hers told her: "I want you to use your knowledge to do something meaningful." While the 25-year-old Mazumdar-Shaw was setting up Biocon, her friends were getting married. It was her father who encouraged her to stay the course. "When I started the company, my father was so excited for me," she says, her eyes moistening.

Her father taught her that people were the most valuable asset in business. She says: "My dad always said, 'Treat them with respect. Everyone has something to contribute.'" Her ground-level office on Biocon's leafy campus has a relaxed, informal feel. The door to it is always open. Her staff is fiercely protective of her.

Her vision for the company has evolved from the goal of improving India's scientific record to the dream of "a made-in-India novel drug". When she talks about Biocon's plans to take insulins global and move from cancer care to cancer cure, her enthusiasm seems almost childlike.

Behind many dreams that come true, there is a choice that many might quail at. "I got married only at 44," says Mazumdar-Shaw. "My work was so important that I didn't even think about having a family. I miss having a child. But that's a sacrifice." She says she is happy with all that she has achieved. "I have made discoveries about myself, and have learnt to get ordinary people to do extraordinary things," she adds. ♦



A Healthy Dose of Optimism

Doctor-turned-businesswoman Swati Piramal runs Piramal Healthcare with a smile – and quiet resolve

In the mid-1970s, a medical student at the University of Mumbai was driving in the city's Parel mill district, when she saw a girl, about four years old, hobbling on tiny crutches. The child had polio. The future Dr Swati Piramal, then all of 19 years old, decided to fight this preventable yet widespread disease. Today, the quiet resolve that drove her to choose – and win – this battle helps her run one of the country's top five pharmaceutical companies.

Battling polio in the crannies of working-class Mumbai was a fight that took not only medical expertise but organising skills. "The polio-afflicted children in the area were from mill workers' families," says Piramal. Her goal was to establish a "no polio zone". She and her medical school friends set up a polio centre. In the first year, they treated 25,000 children. To convince local residents to get their children immunised, Piramal and her friends literally resorted to song and dance – they performed street plays about polio preven-



RACHIT GOSWAMI/www.indiatodayimages.com

tion. They also went door to door, educating families. They treated children, mostly for free. Ten years later, everyone in the area who needed vaccination or treatment had received it, so they closed the centre.

Swati Piramal, who followed up her MBBS with a Master's in Public Health from Harvard University, is now Director, Strategic Alliances and Communications, Piramal Healthcare. Her company headquarters are in Parel, but her vast office, with works by M.F. Husain on the walls, is a far cry from the workers' tenements where she spent much of her student days.

Her conversation is peppered with optimism and quotes from the Upanishads. "Whatever you dream, you can do," she says. "At every step, it is your effort. If you just wait for things to happen, they won't."

She and her husband Ajay Piramal, Chairman, Piramal Healthcare, built the company against the odds. The Piramals were textile industry veterans, but the 1982 mill strike crippled the business. "It had been our family business for over 100 years," she says. As if that was not enough, Piramal's father-in-law died soon afterwards, and her brother-in-law was diagnosed with cancer. Her husband, then just 29, was made group chairman. "Everybody said: 'You are too young'," she says. "But I told him: 'You can do it. We can do it.'" The couple steadied the business and brought it back on track. "It was a hard journey," says Piramal.

The couple knew nothing about the pharmaceutical business when they decided in 1988 to bid for Nicholas Laboratories, an Australian multinational that was exiting India. Piramal was just 28 at the time, and her husband was 33. Their move was a bold step at a difficult time. When they met Mike Barker of Nicholas Laboratories and told him of their dream to make the company one of the top five in Indian pharma, he laughed in disbelief. Nicholas Laboratories was ranked 48th in the Indian industry at the time. Barker sold them the company for ₹16.5 crore. A decade later, the Piramals went to see him with the company's annual report, which showed that the company had indeed reached the fifth spot.

WHEN THE GOING GETS TOUGH

Strategic alliances was a new portfolio and a challenge for me. We have tie-ups with many global companies

BUSINESSPERSON I ADMIRE THE MOST

My husband, Ajay Piramal

PRICE I PAID TO BE HERE

Not enough time to do what I enjoy: read, cook up a gourmet meal, take holidays

BIGGEST ADVANTAGE OF BEING AN MPW

The network of strong women with diverse interests

LAST TIME I USED MY MPW TRUMP CARD

As the first woman head of ASSOCHAM, I had to present views on the economy to the Reserve Bank. I roped in four MPW bankers. Their views were appreciated

Piramal has a deceptively self-effacing manner and plays down her role in running the company. Asked whether she was behind the group's bold move into pharmaceuticals, she says with a laugh: "My family often says so." She credits her husband for his clear vision, and the goal of taking the company to the top five. Then, she quietly adds: "With my husband and me, it is very hard to say who did what."

Today, even as grandparents, the Piramals remain the archetypal business couple, working tirelessly to make Piramal Healthcare bigger and stronger. Their company employs hundreds of scientists, and manufactures not only in India but also in Britain and the US.

In the 23 years since the Piramals decided to buy Nicholas Laboratories, there have been many mergers, acquisitions and spinoffs. Piramal Healthcare recently announced that it will buy a 5.5 per cent stake in Vodafone Essar for around ₹2,890 crore. The money for this would come from the May 2010 sale of its branded generics business to Abbott Laboratories, an American company, for ₹17,140 crore. The sale to Abbott was followed by another one of Piramal Healthcare's diagnostics business to Super Religare for ₹600 crore.

The swiftness of Piramal's decision in 1998 to acquire a research centre in Mumbai from Hoechst Marion Roussel, a subsidiary of the German drug maker Hoechst, attests to her role in the company. She got a call asking whether her company was interested in buying the research centre. Her decision was made in minutes, after a quick consultation with her husband. The centre's 400 scientists are working on 18 molecules in various stages of development.

If her husband is the "the man with the vision", as Piramal puts it, she is the one who asks the tough questions that bring clarity to important decisions. "She is straightforward and simple," he says.

Piramal is a driven businesswoman. "Even at home, we talk about what we can do to grow," she says. "I like to invite clients home, as I can make them feel welcome. Home is a good place to do business." ♦



Bankable Star

Despite her numerous achievements, Axis Bank chief Shikha Sharma remains unfailingly modest

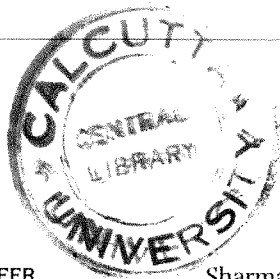
Like Frodo Baggins, the protagonist of *The Lord of the Rings*, who held the all-powerful ring, she is a diminutive person wielding great power. She stands barely above five feet in her trademark flat sandals. Yet Shikha Sharma, Managing Director and CEO of Axis Bank, makes an immediate impression.

It is raining hard, for instance, the day *Business Today* has organised her photo shoot at a five-star hotel in suburban Mumbai. Yet she arrives at the appointed time looking effortlessly immaculate. She wears no make-up, barring a *bindi*.

The achievements of this petite powerhouse, who shares her birthday, November 19, with Indira Gandhi, are formidable. Joining ICICI in 1980, she went on to lay the foundations of ICICI Bank's personal financial services. "A lot of people were sceptical," says Narayanan Vaghul, former chairman of the bank, when he suggested Sharma as the person



NISHIKANT GAMRE/www.indiatodayimages.com



to head the retail business. But Sharma proved them wrong.

In December 2000, Vaghul zeroed in on her again while searching for a suitable person to head the insurance business ICICI was about to start. Sharma took charge of ICICI Prudential Life Insurance and repeated her success with retail banking. Among the host of companies that entered the space once insurance was opened up to the private sector, ICICI Prudential has been one of the most successful, crossing the 200,000 policies landmark within two years of its start with a premium income of ₹280 crore. "She built an entire new business in insurance and became a leader in no time," says Vaghul.

Sharma, who remained Managing Director and CEO of ICICI Prudential till April 2009, calls the stint "an endearing experience". "It was completely psyching, we had global competition, but early success gives you confidence," she adds. She took over Axis Bank – formerly UTI Bank, the third largest bank after State Bank of India and ICICI Bank – in June 2009. Axis Bank's performance since she took charge has been admirable. For the quarter ending June this year, it reported a profit of ₹942 crore, a 27 per cent increase year on year.

For such a high-flying achiever, Sharma is disarmingly modest, all too willing to discuss her failures and drawbacks. The start of her career, she reveals, was not particularly propitious. During the placement period at the Indian Institute of Management, Ahmedabad, or IIM-A – where she did her MBA – she was unable to land a job until Day Eight or Day Nine. "Foreign banks rejected me," she says. "I was losing confidence." But she was able to take it in her stride. "I was good at academics, but an introvert," she adds. "I was self-aware enough not to get dejected. But I still felt bad."

Finally ICICI gave her the break that defined her career path. "I think destiny did the right thing for me," she says. "The opportunities I got at ICICI, I would have never got elsewhere. I think god has a design for each one of us."

Vaghul says he had great faith in

CAREER TURNING POINT

Being given the opportunity to lead ICICI's venture into the life insurance business

WHEN THE GOING GETS TOUGH

You put your best foot forward and focus on the task at hand

BUSINESSPERSON I ADMIRE THE MOST

Steve Jobs

PRICE I PAID TO BE HERE

Not getting as much time with my children as I would have liked

BIGGEST ADVANTAGE OF BEING AN MPW

The people I get to meet

LAST TIME I USED MY MPW TRUMP CARD

To get invited aboard Swati Piramal's yacht

Sharma's lateral thinking capacity. "When I was chairman, I could always look to her for creative ideas," he says. But Sharma will not acknowledge any such quality, calling herself a conventional thinker, claiming that thinking differently was something she learnt from her husband. She is married to Sanjaya Sharma, her batchmate at IIM-A and currently Managing Director of Tata Interactive Systems. The couple have a son and a daughter.

All went well at ICICI until, in 2009, Sharma became a contender for the managing director and CEO's position. She was up against the equally high profile and meritorious Chanda Kochhar – and Kochhar was eventually selected. "Both Chanda and Shikha were jewels of ICICI," says Vaghul. "It is unfortunate that the crown could go to only one." Soon after, Sharma quit.

True to form, she refrains from hyperbole even while discussing her plans for Axis Bank. "I'm not saying I want to take this bank to the Number One spot," she says. "We want to make it a great bank, that's all. We will focus on infrastructure and small businesses, as also on big-ticket loans and retail."

Sharma's corner office on the eighth floor of Axis Bank's new corporate office in Worli, Mumbai, is small and comparatively frugal. It has just a desk – with a family photograph, some books on economics, and Ganesha idols on it – and chairs. It looks exactly the same as the offices of other senior executives at the bank. "I truly believe in egalitarianism, transparency, sharing and learning," she says.

Like every working mother, Sharma, too, frets about not spending enough time with her children. "I consider my children my most enduring embodiments of achievement," she says. "But I haven't focused on them in the last 20 years." She had hoped to take a few days off to spend with her son before he started his first job in August, but could not manage it. "Too much was happening in the office," she says.

If she had to make a tough choice between work and family, however, she says: "I know what I would choose." ♦



Tractor Queen on a Roll

Mallika Srinivasan's grit and unique working style have made her company India's second largest tractor manufacturer

The headquarters of Tractors and Farm Equipment, or TAFE, in Chennai, including the office of the Chairman and CEO, Mallika Srinivasan, has no carpets. A chairperson's office without a carpet? Srinivasan prefers it that way. "Chennai's weather is humid," she says. "Carpets will only aggravate allergies."

It is a reflection of her no-frills working style. She reveals she recently got herself a smaller desk. "I didn't need a desk as big as the one I earlier had," Srinivasan says.

Srinivasan has always lived the way she wanted to. Her father – industrialist A. Sivasailam, head of the ₹7,000 crore, Tamil Nadu-based Amalgamations Group, who passed away in January – had suggested she study literature. But she had different dreams. She sought and obtained admission into Wharton School in



H.K. RAJASEKHAR/www.indiatodayimages.com

Pennsylvania, US – one of the world's most prestigious business schools, for an MBA.

Even the fact that she was married by then – to Venu Srinivasan, now chief of TVS Motor – and the mother of a newborn, did not deter her. Her infant daughter in tow, she left with her mother. "I would go to the laundry room to study because the hum of the washing machines was a consistent, comfortable noise," she recalls.

On her return she joined TAFE – one of the Amalgamations Group's high-profile companies – as general manager, planning and coordination. "There was no pressure to join the family business, but there was encouragement if you wanted to," she says.

Since then she has risen to become India's tractor woman making an indelible impression in a heavily male-dominated industry. TAFE's turnover, a mere ₹86 crore in 1985 – the year she joined – had risen to ₹5,800 crore by 2010/11, making it the second biggest tractor company in India after Mahindra Tractors. It is third biggest in the world, after Mahindra and the US-based John Deere. From around 4,000 tractors a year in 1985, the group now manufactures 120,000 annually. "Our exports' growth rate is much higher than that of the industry," she says.

Despite working in a family-owned company, Srinivasan's early days were not easy. Though her designation was impressive, she was not given any job description when she joined, but merely told to find out what she could do. Her office was a partitioned space in one of the TAFE building's corridors.

"There was a well-set team in place," she says. "Most of the members had worked for my father since he started TAFE in 1964. And here was this little girl coming along to join them. Some were welcoming, but some were very sceptical. 'Let's see how long she lasts,' was their attitude." It was made clear to Srinivasan that before getting any important responsibility, she would have to prove herself.

The sceptics underestimated her. She promptly got down to business, holding discussions with other employees, trying to

CAREER TURNING POINT

My stint at Wharton

WHEN THE GOING GETS TOUGH

Stay calm, be objective and lower the breakeven point further

BUSINESSPERSON I ADMIRE THE MOST

Not just one, many

PRICE I PAID TO BE HERE

Long hours

BIGGEST ADVANTAGE OF BEING AN MPW

Being able to inspire and motivate others – to empower dreams and enrich lives

LAST TIME I USED MY MPW TRUMP CARD

I have learnt to play the deck I am dealt and never to depend on a particular card... Trump or otherwise!

see where she could add value. "It was a great induction where only the fittest would survive," she says. "But in a few years, I had a complete grip on the business."

It shows. At nine in the morning, when *Business Today* met her in her Chennai office, she is already fully immersed in her work, rattling off figures and projections and plans, amid giving instructions to her employees. Her biggest coup so far was the acquisition of Eicher Motors in 2005, the move that catapulted TAFE into the No. 2 slot in the country. "Many conservatives in the company were very surprised by the bold move," says a company insider.

T.R. Kesavan, Senior Vice President, Marketing and Product Strategy, TAFE, says he decided to join the company only after meeting her. "She is very hands-on. She has such passion and drive," he adds. He recalls the downturn of 2000 when TAFE, like all tractor companies, was badly hit – its sales fell from 49,000 to 24,000 tractors a year. Srinivasan turned the setback into an opportunity, investing heavily in research and development, and launching new products. "It is to her credit that we recorded a profit even that year," says Kesavan.

Srinivasan insists TAFE is not in the business for market share and stock market gains alone. "We have to provide good returns for our shareholders, but there are various other parameters as well for judging the success of a business," she says. "In family businesses we pay a lot of attention to sustainability as well."

Given the travails she faced while young, she has advice too for young women seeking professional careers: "Do not get bogged down by the constraints you face," she says. "Search for opportunities. But most important, you must be happy doing what you do."

Her days at Wharton remain among her most treasured memories. She is still in touch with many of her friends. When her daughter Lakshmi Venu, whom she had taken to Wharton with her, married Rohan Murthy, son of Infosys founder N.R. Narayana Murthy in a high-profile wedding in June this year, a number of her Wharton friends flew down. ♦

Why Women Drop Out

Top women professionals debate whether Indian marriages are ready for the working woman. **By GEETANJALI SHUKLA**

It is a Catch-22. A booming economy and a changing social structure are bringing more Indian women into the workforce every year. But the same factors are making them drop out as well. *Business Today* held a panel discussion at The Leela, Mumbai, to debate the subject: How 'ready' are Indian marriages to accept professional women? Our panellists were the ones who also figured in our Hall of Fame: six of corporate India's top women managers. Why were they asked this question? Well, who better than the best to debate a dilemma every working, married Indian woman faces?

"When women are in their thirties, their work and family responsibilities often peak together. It is then you find a lot of women dropping out," said ICICI Bank chief Chanda Kochhar. Kochhar's former colleague Shikha Sharma, currently Managing Director of Axis Bank,

agreed. "Earlier, there was compelling economic logic for women to continue working after marriage, and they had a support system," she added. "This logic has now weakened compared to the last two decades, and family support systems are definitely breaking down."

Support systems have withered not only due to the rise of nuclear families, but also because of the changing outlook of grandparents. "The grandmothers of today are likely to say: 'Why do I have to look after your baby when I have already looked after you?'" said Sharma.

The way out, Sharma felt, was an alternative social support system. "The trend we've seen over the last 10 years – an increasing number of women joining the workforce – will see some strain in this decade. At least until traditional support systems are replaced by alternative ones," she said. Mallika Srinivasan, Chairperson and CEO,

VIVAN MEHRA/www.indiatodayimages.com



Tractors and Farm Equipment, or TAFE, noted that a critical mass of women were needed in the workforce before companies began providing alternative support systems. "It is essential that we hire more women in manufacturing and only then can we provide them with support facilities," she said.

All six panellists, however, agreed that the phenomenon of women dropping out due to economic need tapering off was largely restricted to urban India. "Semi-urban areas are where aspirations are higher," said Sharma. "They have seen the benefits of a double-income family, so women there are more likely to keep working." In rural India, a working woman's role was more complex. "A rural woman's ecosystem has changed enough for her husband to now allow her to work," said Naina Lal Kidwai, HSBC's India Head. "But she still has to come home after work and do all the chores."

Kochhar held a different view on what is happening in urban India. She felt the urban working woman's outlook also had to change. "To be able to lead this dual life, balancing work and family, I need to give in somewhere. I find that attitude missing in many urban women," she said.

Kidwai added that a marriage in which both spouses were on an equal footing was the key to women not falling out of the workforce. "Couples who stay in are the ones

"Aspirations are higher in semi-urban areas.

They have seen the benefits of a double-income family. Women there are more likely to keep working"

Shikha Sharma,
MD, Axis Bank

who share chores, and women who fall by the wayside are the ones who do not have a marriage that supports them," she said. Kiran Mazumdar-Shaw, Chairman and Managing Director, Biocon, concurred. "Shared responsibilities are the only way more women will pursue careers," she said.

A booming economy seemed to be playing spoilsport here as well. "As long as there was the economic need for women to work, men were more willing to adjust," said Kidwai. "As the need is tapering off, the adjustment factor is reducing."

One way to stem the dropout trend, said Sharma, was to get women in the vulnerable age group to interact with those who had, despite odds, managed to hang on to their careers. "Maybe we should pinpoint promising women in their early thirties – the age at which they have their first child and are most likely to drop out – and get them to talk to women who have lived through," she said. Both Mazumdar-Shaw and Srinivasan felt forums like *BT's* Most Powerful Women could be used to highlight role models who could inspire these women.

Swati Piramal, Vice Chairperson, Piramal Life Sciences, the sole working grandmother on our panel, felt that as long as there was a national need for more women to join the workforce, all other factors – economic or social – would fall into place enabling women to work. ♦



Power women: (L to R) TAFE chief Mallika Srinivasan, HSBC India head Naina Lal Kidwai, Swati Piramal of Piramal Life Sciences, ICICI Bank's Chanda Kochhar, Biocon's Kiran Mazumdar-Shaw and Axis Bank's Shikha Sharma at The Leela Mumbai



UMESH GOSWAMI/www.indiatodayimages.com



ARUNA JAYANTHI

Striking the Right Notes

BIGGEST ADVANTAGE OF BEING AN MPW

It provides a platform to make a difference

MY PROTÉGÉ

Everyone who works with me

She has eagerly grabbed every opportunity that came her way in the last two-and-a-half decades to become, at 48, CEO of Capgemini India. But now Aruna Jayanthi also wants to dabble in music. She recently bought a piano. "I'm searching for a music teacher," she says. Jayanthi initially wanted a career in banking and finance, but when Tata Consultancy Services, or TCS, made her a campus offer, she changed her mind and accepted. She learnt the most at TCS, she says, where she spent 10 years. But the big turning point of her career came when she joined E&Y's consulting unit in India just before it was sold to Capgemini. "Capgemini had no model for offshore then... it was also new to India," she says. She worked hard on building a successful model. "I spend almost half my time in leadership initiatives," she adds. On India's leadership deficit, all she will say is: "There is so much talent in this country... why can't we run it efficiently?"

ANAND ADHIKARI

NEW

NANDITA GURJAR

Learning Never Stops

Nandita Gurjar, 50, Senior Vice President and Group Head, Human Resources, Infosys, has a great deal on her plate. She has to manage the expectations of 1.3 lakh employees and build the Infy brand globally. Gurjar says she is amazed by how much she is still learning every day. Different people perceive company policies differently, she says, and some of the responses can be surprising. She cites an example. "We have this policy for women to work from home if they have children below the age of three," says Gurjar. "A woman employee recently said it was discriminatory and that the facility should be extended to men, too. We are going to do it soon."

MANU KAUSHIK



DEEPAK G. PAWAR

CAREER TURNING POINT

Joining Infosys in 1999

TIPS FOR WOMEN EXECUTIVES

Learn when to say no and when to switch off in order to stay productive

15 MINUTES ISN'T A LOT.
BUT IT'S ALL WE NEED TO MAKE
YOU LOOK YEARS YOUNGER.



One session of 15 minutes is all it takes to get a BOTOX® procedure, comprising tiny, superficial injections given at precise points on the face.

BOTOX® is simple procedure that relaxes select facial muscles to smoothen out lines and wrinkles on your face. No anti-aging cream comes close to the skin smoothening effect of BOTOX®. At best, creams serve to tighten and hydrate the skin, but aren't enough to erase the most common sign of aging - wrinkles. With one session of BOTOX®, you look years younger and continue to be as expressive as before.

The skin smoothening effects of BOTOX® begin to show in four days, letting you look your youngest best just in time

for that wedding or that special occasion. This rejuvenating effect lasts for up to four months. After that you can continue with another session of BOTOX® or choose to take a break till your next special occasion, without any tell-tale signs showing on your face.

BOTOX® is administered only at clinics that have trained doctors. Get in touch with us at **1-800-266-6768** or visit **www.botoxcosmetic.co.in** to locate the clinic nearest to you, and to know how BOTOX® can help you look years younger.

Endorsed by
kaya skin clinic®
and other leading
cosmetic clinics.

BOTOX® is the preferred anti-aging skin treatment at kaya skin clinic® and other leading cosmetic clinics across India. Call the BOTOX® Helpline 1.800 266 6768 or visit www.botoxcosmetic.co.in to locate a clinic near you.

BOTOX® is available at your nearest kaya skin clinic®. For appointments call kaya skinfoline 1-800-209-5292/022- 61366401

West Region: VLCC Centre, Mob: 9324273328, **Mumbai: Dr. Jamuna Pai's Blush**, Khar, Tel: 022 - 67042425, Kemps Corner, Tel: 022 - 23638699 / 67431712 / 64529409, Mob: 9833379615, **Andheri**, Tel: 022 - 361578 / 26329534, **Pune**: Tel: 020 - 30463841, **Dr. Rekha Sheth's Skin & Hair Clinic**, Marine Lines, Tel: 022 - 43538282, **Vile Parle**, Tel: 022 - 42478282, **Trasi's Cosmetic & Laser Clinic**, Khar, Tel: 022 - 66925010, **Shiwar**, Tel: 022 - 65145686, **Dr. Rashmi Shetty's Non-Surgical Solutions**, Santacruz, Mob: 9833055236, **Dr. Viral Desai's CPLSS**, Santacruz, Tel: 022 - 65936569, **Dr. Dhami's Vasudhanarjin Laser Centre**, **Arivali**, Tel: 022 - 28662626, **Vile Parle**, Tel: 022 - 261 93939, **Dr. Meenakshi Agarwal's Face & Figure**, Mahim, Tel: 022 - 24456342, Mob: 9820632571, **Dr. Sunita More's Cosmetology and Plastic Surgery**, Peddaroad, Mob: 9869253154, **Dr. Marwah's Skin, Hair and Laser Centre**, Andheri, Tel: 022 - 26705353, **Chembur**, Tel: 022 - 25297271, **Dr. Falguni Shah's Radiance Skin Clinic**, Juhu, Tel: 022 - 26286638, **PrettiSlim**, **Khandwala**, Tel: 022 - 26356611, **Bandra**, Tel: 022 - 26416611, **Kandivali**, Tel: 022 - 29676611, **Dr. Jaishree Sharad's Skinfiniti Skin & Cosmetology Clinic**, **Bandra**, Tel: 022 - 65120739, Mob: 9223219419, **Pune**: **Irishma Laser Clinic**, **Camp Area** Tel: 020 - 26361234, **North Region: VLCC Centre**, Mob: 9818969405, **Delhi: Kubba Clinic**, **Aradhana Enclave**, Tel: 011 - 24196666 / 24672222, **Three Graces**, **Vasant Vihar**, Tel: 011 - 46075757 / 46057722, **Rajouri Garden**, Tel: 011 - 43165757, **Skin Alive**, **Panchsheel Park**, Tel: 011 - 26491400, **Gurgaon**, Tel: 0124 - 4107295, **Asian Roots**, **Safdarjung Enclave**, Tel: 011 - 46103000, Mob: 50098059, **Clinic Dermatech**, **Defence Colony**, Tel: 011 - 41550504, **Vasant Vihar**, Tel: 011 - 46039804, **Rajouri Garden**, Tel: 011 - 25160278, **Punjabi Bagh**, Tel: 011 - 45711202, **Sparsh Skin Clinic**, **Khan Market**, Mob: 9871057657 / 9311057657, **American Cosmetic Laser Center**, **Greater Kailash**, Tel: 011 - 41631822, **Ishira Skin Clinic**, **Ashok Vihar**, Tel: 011 - 47036626, Mob: 9810062252, **Ateller**, **Hauz Khas**, Tel: 011 - 4071101 / 46071102, **Chandigarh: Anticlock - The Age Reversal Clinic and Medispa**, **Sector 33 D**, Mob: 9814600600, **Dr. Bansal's Skin 'N' Laser Center**, Tel: 0172 - 4637159, Mob: 9872422254, **Ludhiana: A. K Clinics**, Tel: 0161 - 277190, Mob: 9872808301, **Mohali: Dr. Walia's Skin & Laser Clinic**, **Phase 3B2**, Tel: 0172 - 2221456, Mob: 9417015261, **South Region: VLCC Centre**, Mob: 9500015342, **Hyderabad: Axon Hospital**, **S.R. Nagar**, Tel: 040 - 44505555, Mob: 9246209246, **Apollo Hospital**, **Jubilee Hills**, Tel: 040 - 23607777, Mob: 9652005444, **Skin And Cosmetic Centre**, **Banjara Hills**, Mob: 9849939526, **Bangalore: Cosmoderma Skin and Laser Clinic**, **Lavelle Road**, Mob: 9845770005, **Indiranagar**, Mob: 9845354212, **M S Clinic**, **Cambridge Layout**, Tel: 080 - 25361343 / 25565201, **Dr. Pooya's Healthcare Centre**, **Richmond Town**, Tel: 080 - 41522206 / 41522230, **Chennai: RSV Skin Clinic**, **Kilpauk Garden Road**, Tel: 044 - 26453373, **Kerala: Beau Aesthetica**, **Panamapally Nagar**, Tel: 0484 - 6462319, Mob: 9249856069, **East Region: VLCC Centre**, Mob: 9386836658, **Kolkata: Venus Slimming & Cosmetic Dermatology**, **Prince Anwar Shah Road**, Mob: 9830020138.

BOTOX® is a name of Botulinum Toxin Type A purified neurotoxin complex. BOTOX® is used for the treatment of hyperkinetic facial lines. BOTOX® is a prescription only drug available in select clinics in select cities and is not available for direct sales to patients from retail/wholesale outlets. The information provided here is not to substitute the advice of a trained registered medical practitioner and is not meant to encourage self use decisions by consumers. For more information speak to your doctor or refer to BOTOX® rescribing information. Individual results may vary.

(Europe/BOTOX/1)

IN/0413/2011

BOTOX®
Keep Looking Beautiful!





SHEKHAR GHOSH/WWW.INDIA TODAY IMAGES.COM

CHIKI SARKAR

Perks of Publishing

You have brandy at four and you are in high heels. I want to be like you," Chiki Sarkar, then about to finish college, told Alexandra Pringle, then editor-in-chief at Bloomsbury, at their first meeting in the late 1990s. It so happened that Pringle was looking for an assistant and took on Sarkar to work with her. Sarkar stayed with Bloomsbury for seven years. This summer, Sarkar, now 34, took over as the publisher of Penguin Books India, the largest English trade publisher in the subcontinent. On the anvil are plans for new kinds of books, even ebooks. Any tips for wannabe publishers? "You really have to love your authors," she says. Does her lifestyle now resemble Pringle's? "I do wear higher heels than most people and many times I do have wine at lunch," she says.

MY AMBITION

To publish the best writers in the world and get more people reading

SHALINI S. DAGAR

RENU SUD KARNAD

The Smile Says It All

Are you having fun at HDFC?" Renu Sud Karnad, 59, Managing Director of Housing Development Finance Corporation, often asks employees. With HDFC still a leader in the home loan space, having disbursed loans of ₹3 trillion in 2010/11, she certainly has a reason to be happy.

SHALINI S. DAGAR

PRICE I PAID TO BE HERE

I do not have a sparkling home. I have a conventional home



SAPTARSHI BISWAS

ELECTRONICS AND COMMUNICATION
ENGINEERING PROGRAM OF
SRM UNIVERSITY
IS FIRST IN INDIA TO GET ACCREDITED BY
THE ENGINEERING ACCREDITATION COMMISSION OF
ABET

111 MARKET PLACE SUITE 1050 BALTIMORE MD 21202-4012 USA



Moment of Pride

It is indeed a moment of pride for SRM University and its faculty, students, parents and alumni, to become the first University to get an ABET (Accreditation Board for Engineering and Technology) accreditation for B. Tech, Electronics & Communication Engineering.

ABET is the most respected accreditation organization in the U.S for over 75 years. ABET accredits programs at more than 600 colleges and universities worldwide.

SRM University, in recognition of its excellence in higher education and research, was ranked India's No.1 Multiple Streams University (Engineering and Medicine) in 2009 by The Education Times – GfK Mode Study, joining the league of IITs, NITs and AIMS.

And now, SRM has joined the league of world's best universities by securing the prestigious ABET accreditation in 2010.

SETTING TRENDS | INVENTING THE FUTURE

For more details please visit www.abet.org and www.srmuniv.ac.in



SRM
UNIVERSITY
(Under section 3 of UGC Act, 1956)

Kattankulathur, Kancheepuram Dt., Chennai



JYOTSNA SURI

Basking in Her Success

VIVAN MEHRA/www.indiatodayimages.com

BUSINESSPERSON I ADMIRE THE MOST M.S. Oberoi is an iconic figure. He started from nothing and built the most fantastic group of hotels

Though diminutive in size, Jyotsna Suri, 59, Chairperson and Managing Director, Bharat Hotels, is known for her strong ideas and forthright behaviour. She can threaten you with dire consequences if you incur her displeasure and then charm you with a smile, all within five minutes. Taking over the reins of the business after husband Lalit Suri's

death in 2006, she has forged an identity for the group that was missing earlier. The 'Lalit' brand is now secure. Suri, who runs 18 hotels currently, wants to build a portfolio of 40 to 45 in the next five years. Of the new ones, around 20 to 25 will be in the budget space under the brand 'Lalit Traveller' as Suri sees a clear opportunity in mid-segment hotels. She is grooming three of her four children to take over from her. Five years hence, she sees herself "way more relaxed" as the next generation takes over.

SHALINI S. DAGAR



Shripal Morakhia
Founder and
Imagination Officer,
ACK Media

Samir Patil
Founder and CEO,
ACK Media

Anant Pai
Founding Editor,
Amar Chitra Katha

I thought I had grown up on Amar Chitra Katha...

Until Amar Chitra Katha taught me
that growing up never ends.

Massachusetts Institute of Technology (MIT), then McKinsey followed my Amar Chitra Katha days. I returned from New York after my stint as an Associate Partner at McKinsey, to reinvent Amar Chitra Katha and children's media in India. I moved back to India because I saw a massive hole in the domestic market for children's entertainment.

Then I started all over again. First with Uncle Pai's vision for the children of India. Soon after, with my partner Mr. Shripal Morakhia, with his child like curiosity and wild imagination. Next with Mr. Kishore Biyani, Future Ventures and Future Group's retail footprint, it's new ideas for the next generation of India.

Yes! I found out that the market for stories has a beginning but no end... much like the idea of learning, imagination, enterprise and growth.

I am indeed growing up once again. *Samir Patil*

www.futureventures.in

We are truly committed to the idea of mentoring entrepreneurs and disproportionate growth in **Fashion, Food, FMCG** and **Rural Distribution** businesses.

future ventures
mentor . entrepreneurs



TINKLE

KARADI TALES

BRAINWAVE

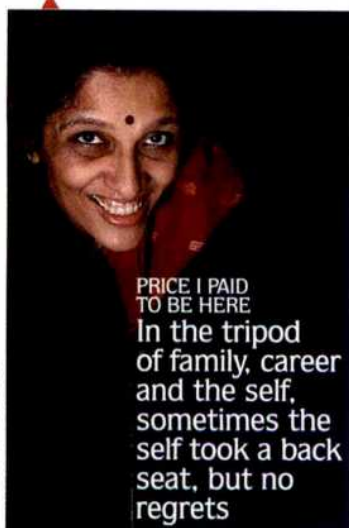


MEENA GANESH

Start-up Energy

It is like marrying your daughter off," says Meena Ganesh, 47, serial entrepreneur, and CEO and Managing Director of Pearson Education Services. Ganesh is talking about the heartbreak involved in selling a thriving business one has incubated. She should know. She had to do it with CustomerAsset, which she and her husband K. Ganesh sold to ICICI and is now ICICI OneSource, and again with TutorVista, which Pearson took over. "One has to think of what is right for the company at that stage. There is a pang. The attachment continues," she says. In her 26-year career, Ganesh has been driven largely by what she calls "start-up" energy. She is associated with several young, nascent entrepreneurs as an angel investor or mentor. As an entrepreneur, Ganesh has been a pioneer: building businesses in areas hitherto unexplored, creating categories that did not exist. For now, the rapidly growing and evolving field of education is keeping her excited and totally involved.

SHALINI S. DAGAR



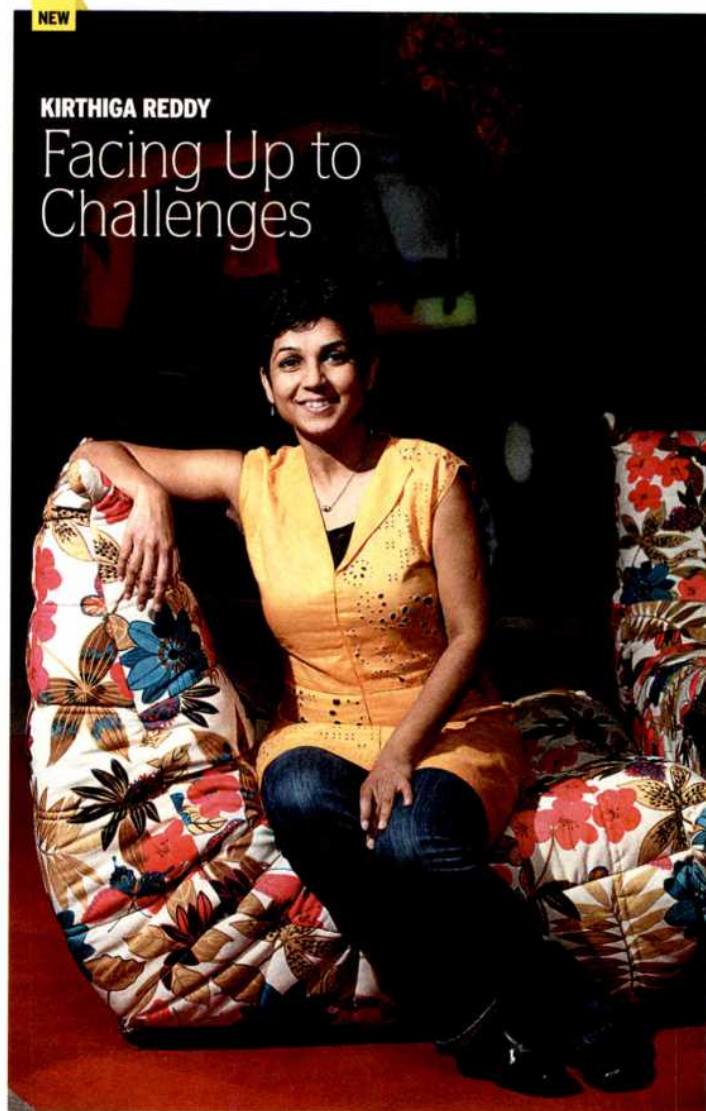
DEEPAK G. PAWAR

PRICE I PAID TO BE HERE
In the tripod of family, career and the self, sometimes the self took a back seat, but no regrets

NEW

KIRTHIGA REDDY

Facing Up to Challenges



A. PRABHAKAR RAO/www.indiatodayimages.com

EARLY BREAK
In 2000 at Silicon Graphics. She was the youngest Director of Engineering and the only woman in this role in her department

Do not accept choices that are given to you. Be creative and create new choices," says Kirthiga Reddy, 39, Director, Online Operations, and Head, Facebook India Office. She is speaking from experience. When she worked as Director, Project Management, Good Technology, a start-up in the US (which was later acquired by Motorola), she would take her newborn daughter everywhere with her when she travelled for work, rather than choose between home and career. "Research has shown that women often tend to have self-doubt and in general underestimate their capabilities," says this MBA from Stanford University. "In my case, I would not hesitate to put my hand up and say I can do this and let us set goals, go out and make things happen." Words many aspiring young women professionals may want to take seriously.

E. KUMAR SHARMA

WTC
WORLD TRADING CENTRE
CHAMPION 2010



BLACKBUSTER.

All new Cruze with plush jet-black interiors

chevrolet.co.in

The sleek new Chevrolet Cruze is here, with stunning jet-black interiors, exquisite titanium stitching and a host of other comforts to make for an exhilarating drive. And redefine what you knew of sheer luxury.

- 150 PS 2.0L VCDi diesel engine
- New jet-black interiors
- Corvette inspired twin-cockpit
- 6-speed Automatic

CHEVROLET CRUZE

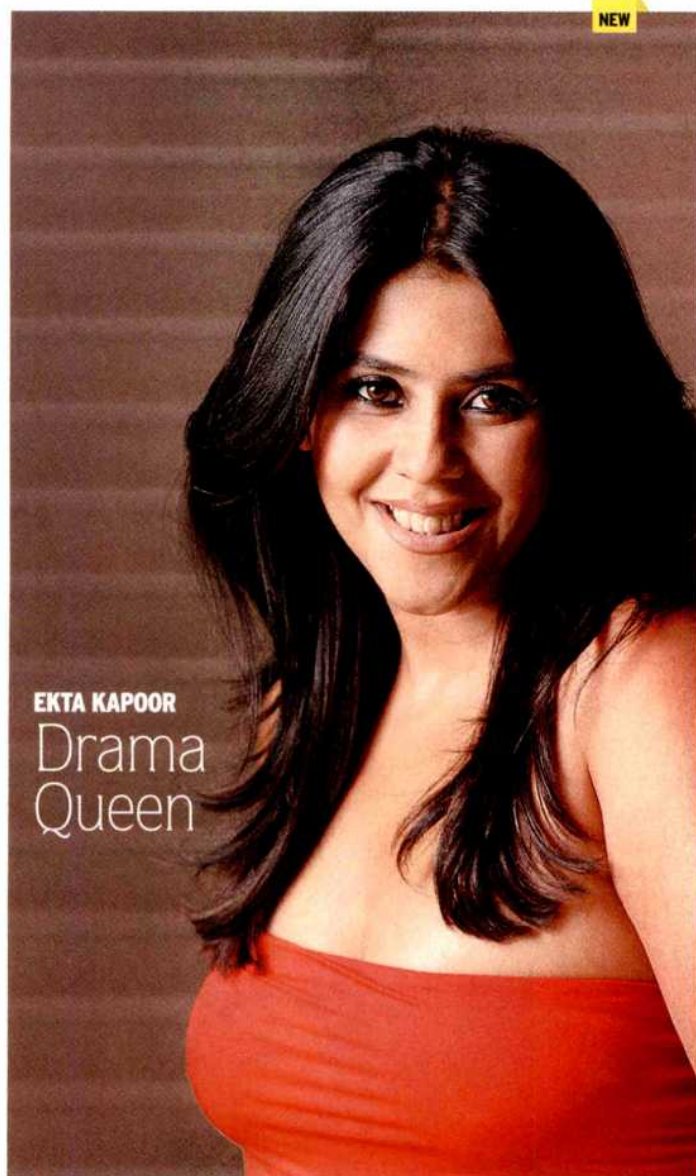
**TEST IT LIKE
YOU OWN IT**
SMS CRUZE TO 53030



CERTIFIED
PRE-OWNED VEHICLES

Colours shown may not match the actual colours due to printing limitations. Features mentioned may vary and may not be a part of standard equipment. For detailed terms & conditions, please refer to our website www.chevrolet.co.in

McCann/GM/08/11



NEW

EKTA KAPOOR
Drama Queen

UMESH GOSWAMI/www.indiatodayimages.com

Ekta Kapoor, Joint Managing Director of Balaji Telefilms, has been the talk of the television industry for over two decades. Most of her shows are among the top 50 on TV. Her company has also evolved from a pure play TV content provider into one that produces content for the big screen, the Internet and mobiles, too. The past year has been particularly busy for her as she got back into movie production with a new company, ALT Entertainment, that looks at niche and distinct film content. Kapoor, 36, prefers not to talk about her personal life, but reveals that she is addicted to American television shows. She also admits she is a foodie and was born to eat.

ANUSHA SUBRAMANIAN

CAREER TURNING POINT

The birth of Balaji Telefilms

FALGUNI NAYAR

Timing It Right

Hers is a job that bristles with challenges. "Stock markets do not allow you to switch off except when they too switch off," says Falguni Nayar, 48, Managing Director of Kotak Mahindra Capital Company, or KMCC. The mother of 21-year-old twins says the biggest challenge is that of doing a successful initial public offering, or IPO, for a company. Timing is critical. "Don't bring the bride too early to the wedding," she advises her clients. KMCC has done IPOs for several important companies in the country. Among Nayar's recent successes was the Coal India IPO last October, which turned out to be the government's single largest disinvestment ever, netting ₹15,745 crore.

RAJIV BHUVA



RACHIT GOSWAMI

LAST TIME I USED MY MPW TRUMP CARD I use it routinely when I don't want to enter the kitchen.



Mr. Prakash Shukla
Sr. Vice President Technology
Chief Information Officer
The Indian Hotels Company Limited

NEC ADDS SPARKLING SHINE TO THE EXPERIENCE THAT'S UNMISTAKABLY TAJ

The Taj, a symbol of Indian hospitality, renowned for its world-class service and modern luxury is now equipped with NEC's latest Unified Communications Solution. NEC empowers Taj to offer a bouquet of value-added services, thereby generating greater revenues, increasing customer responsiveness, and simultaneously improving efficiency and reducing costs.

Says Prakash Shukla, "We, at the Taj Group of hotels endeavor to bring the most compelling environment and experiences to our guests. We are grateful to NEC for its technological expertise to our Hotels."

Learn how NEC can partner
with your company at

www.nec.com/cases/taj

Empowered by Innovation

NEC



ARCHANA HINGORANI

Money Making Maestro

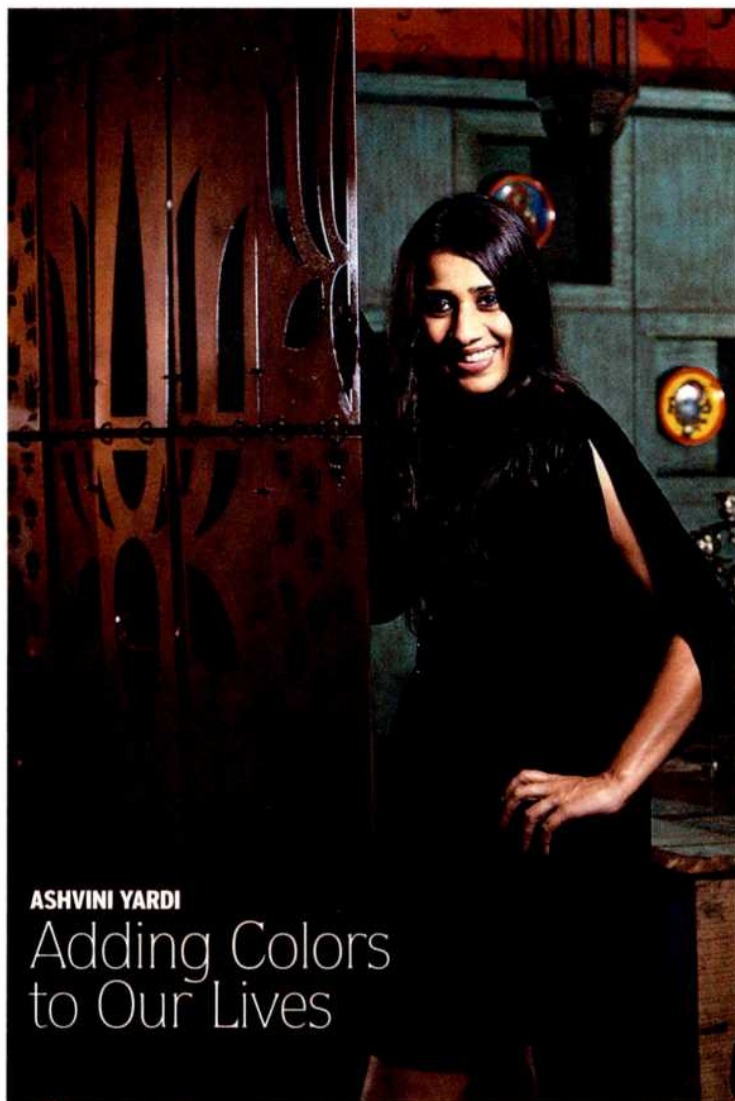
Archana Hingorani, 45, is CEO and Executive Director of IL&FS Investment Managers, which controls a private equity corpus of \$3.2 billion, one of the biggest in the country. The youngest in her MBA class in the University of Pittsburgh, US, she went on to do a PhD in Corporate Finance from the university. Returning in 1993, Hingorani joined IL&FS, then known as Infrastructure Leasing & Financial Services. When she took over in 2005, IL&FS's PE corpus was barely \$300 million. She has played a key role in raising it to its current level.

ANAND ADHIKARI

A GOOD DAY IS
When things you set into
motion earlier achieve fruition



DEEPAK G. PAWAR/www.indiatodayimages.com



NISHIKANT GAMRE/www.indiatodayimages.com

ASHVINI YARDI

Adding Colors to Our Lives

FAVOURITE QUOTE

Life is what happens to you when you are busy making other plans

A degree in Psychology has not only helped her understand human relations better, but also given her insights that enable her to lend colour to characters on the TV screen. "Television has the capacity to influence people's minds and lifestyles," says Ashvini Yardi, the 38-year-old Programming Head of TV channel Colors. It was not easy for Yardi to take on established channels like Star, Zee and Sony when Colors started, but she let her work do the talking. She wanted to do things differently to prevent viewer fatigue. She highlighted sensitive social issues like child marriage, female infanticide and farmers' suicides in the serials Colors broadcast. "We are working towards bringing path-breaking format shows, creating newer genres," she says. The channel also wants to be a leader in technological advancements. "We believe digital is the way to go... You will see a lot more of Colors on social media platforms," she adds.

ANUSHA SUBRAMANIAN

ADD Gel ***eins***

GEL ROLLER

Now... with "Spring" Point

*Write fast, write slow, write hard, write soft,
write as you like, how you like, without
worrying about the writing because the
micro-spring installed in each refill tip ensures
that it writes to your own taste.*

The ADD Gel Eins is the perfect way to bring
your ideas to life.

Buy one now...

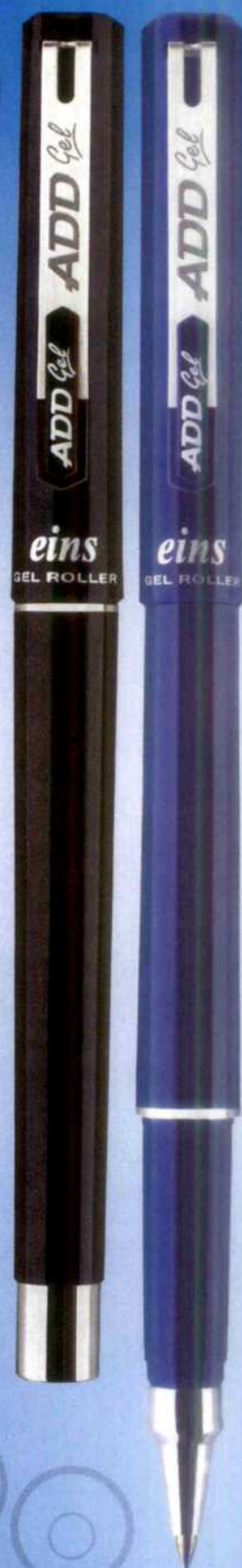
You may never use any other pen.



Leaders in Writing Technology

ADD Corporation Limited
For Corporate enquiries: corpsales@addpens.com
www.addpens.com

Invitation Price: ₹70/- each



First time in INDIA



NITA AMBANI

So Many Hats



VIVAN MEHRA/WWW.INDIATODAYIMAGES.COM

FAVOURITE QUOTE

It is not what you possess, but what you do with what you have that determines your true worth

BUSINESS PERSON I ADMIRE MOST

Papa Dhirubhai Ambani, now Mukesh

A day in the life of Nita Ambani, Reliance Industries' first lady, includes attending to the needs of her family; mandatory Bharatnatyam practice; ensuring there are no hiccups at the Dhirubhai Ambani International School of which she is Chairperson; keeping abreast of all cricket-related developments, since she is co-owner of the Indian Premier League team Mumbai Indians; and most of all, checking on work progress at her dream projects, the H.N. Hospital and Reliance University, both in Mumbai. "The hospital will provide quality healthcare at affordable rates," she says. "The university will offer educational and research opportunities comparable to the best in the world." She attributes her passion for education to her middle-class family background. GEETANJALI SHUKLA

ASHU SUYASH

Mutual Trust Spurs Growth

Ashu Suyash, 44, has been Managing Director and Country Head of Fidelity International's Indian asset management business since late 2003. Fidelity's assets under management end of July were over \$2.1 billion (₹9,468 crore, up from over ₹7,000 crore in March 2010), with more than a million investors. The mutual funds business Suyash has built is largely retail. "You can never ask investors for trust; you need to build it," she says. Regulations passed in 2009, prohibiting mutual funds from charging entry load fees, hit hard. But Suyash saw them as a challenge. "We have grown in an environment where few others have," she says. Fidelity won the 'Best Equity Fund House' award at the Lipper Mutual Fund Awards 2011, organised by *Business Today* and Thomson Reuters in May.

RAJIV BHUVA

A GOOD DAY IS When I can convert a situation to a 'win-win' one, rather than 'I win and someone else loses'

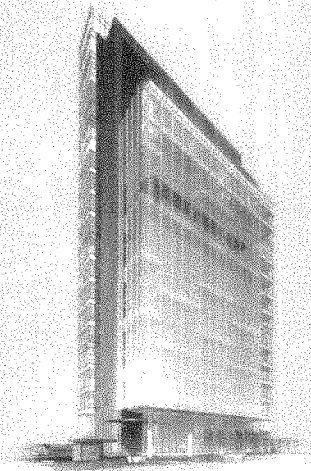


RACHIT GOSWAMI/WWW.INDIATODAYIMAGES.COM

Difficult to choose isn't it?
Now try choosing between an
office that's centrally located or
one with superlative amenities.

So how do you choose?
You don't, with Marvel Corporate Spaces.
Office spaces with
world-class amenities,
at Pune's most elite locations.

The newly launched Marvel Sentinel
is one such example. This innovative,
70 metre high tower located on
Magarpatta Road, Hadapsar,
comes with sky gardens,
a spa, pool, gymnasium and even
places to entertain. So you never have to
make that impossible choice again.



MARVEL
SENTINEL
Future Ready

CANDLE LIGHT DINNER OR CRICKET ODI WITH THE BOYS?

Marvel Corporate Spaces

Launched projects: Marvel Edge, Viman Nagar | Marvel Sentinel, Magarpatta Road

Upcoming projects: Marvel Trueno, Viman Nagar | Marvel Vista, Lulla Nagar | Marvel Fuego, Magarpatta Road

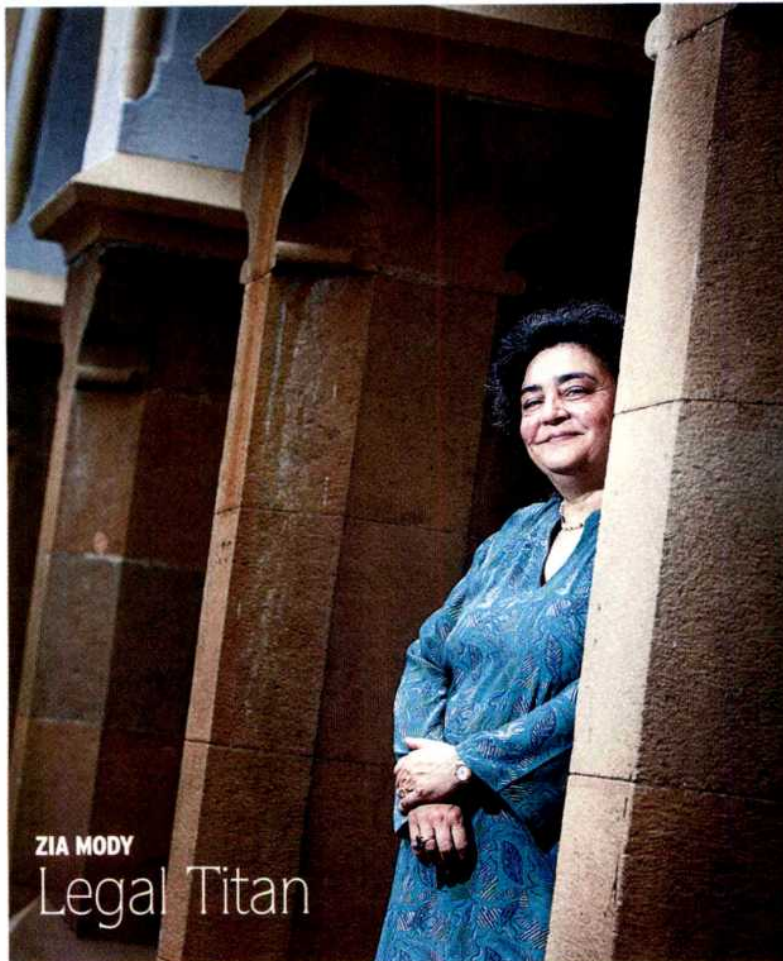
In partnership with



MARVEL
REALTORS



NISHIKANT GAMRE/www.indiatodayimages.com



ZIA MODY
Legal Titan

EARLY BREAK

Getting to argue cases in Bombay High Court with barely three years at the bar

FAVOURITE QUOTE

Honesty pays

Zia Mody, 55, is Managing Partner, AZB & Partners, the law firm that has advised companies such as Reliance Industries, Vedanta and Bharti Airtel on their biggest deals — with BP, Cairn and Zain, respectively. Having started practising at a time when there were hardly any women lawyers, she says she is grateful to the judges of the Bombay High Court for the 'nurturing environment' they provided, thus boosting her confidence.

SUMAN LAYAK

ROOPA KUDVA

Highest Rating

Roopa Kudva, 47, Managing Director and CEO of Crisil, has been with the rating agency for 19 years. She is also Region Head, South Asia, of Standard & Poor's, which holds majority shares in Crisil. "A company like Crisil could not have grown at any time other than the post-liberalisation era," she says. "Today, we shape opinion." Kudva started her career in 1986 at IDBI, after an MBA from IIM Ahmedabad. Her early years were not always easy. "One of my first assignments was the inspection of a sugar mill in Uttar Pradesh," she says. "There were no facilities for women, and they were not used to seeing a woman in a commanding position." At Crisil, she says, opportunity and compensation are not based on gender. "Meritocracy rules," she says. "Here, the power of your idea is more important than hierarchy."

GEETANJALI SHUKLA



UMESH GOSWAMI

FAVOURITE QUOTE

Don't let what you can't do get in the way of what you can do

WHEN THE GOING GETS TOUGH

I switch to top gear

**The only
competition
that can look us
in the eye is ourselves.**

- Highest Machine Life: 9,00,000 Prints ■ Highest Drum life: 3,00,000 Prints
 - Lowest Total Cost of Ownership ■ BLI Printer Line of the Year Award
- No wonder, we don't consider the rest as competition!**

Presenting

The unbeatable Range of Printers from Kyocera

PRINTERS



Mono A4: 24 ppm to 35 ppm



Colour A4: 21 ppm to 26 ppm

MFD



Mono A4: 24 ppm to 40 ppm



Colour A4: 26 ppm



Knockout Benefits

- Separate Drum & Toner • Maximum Prints per day • USB Printing • Password Printing • Maximum Up-time • Digital Counter



For enquiries contact:

Ph: +91 124 4671000; Toll Free: 1800 103 7172
E-mail: dilip.kanth@kyoceramita.co.in www.kyoceramita.co.in



Over 60 years of experience | Presence in 30 countries | Japan's leading name in technology



UMESH GOSWAMI



FAVOURITE QUOTE
Imagination
is more
important than
knowledge

ZARINA MEHTA

Relishing Problems

Her child-like enthusiasm is infectious. Zarina Mehta, 49, Chief Creative Officer of Broadcasti UTV, has recently launched a new channel, UTV Stars, and is busy getting programmes on air. "Everyone is expecting an edgy channel, not ro Bollywood," say Mehta. With no formal training television, this Economics graduate who joined an edit hand, has come far. "When things go smooth, I'm bored to death," she says. "I don't for the result. I live for the actual act of fixing t problem." Recently, both Mehta and husband Ronnie Screwvala sold their stakes in the comp to Walt Disney. How will things change? "I am s I will continue working," she says.

ANUSHA SUBRAM

LEENA NAIR

Fittingly Flexible

Hindustan Unilever Ltd, or HUL, is back in Hewitt's list of best employers for the last two years. Nielsen, too, has adjudged it Employer Brand Number One. No one is happier than Leena Nair, 41, Executive Director and Vice President, Human Resources, South Asia, HUL. "We are continuously working at building capabilities and driving vitality at work," she says. To foster work-life balance at HUL, Nair has introduced flexi-hours. No employee is allowed to remain in office beyond 8 p.m. One day in a week, all employees can work from home. While a student at XLRI, Jamshedpur, Nair did her summer internship with HUL and was immediately attracted to the company. She joined it on passing out and has stayed with it for 19 years. Extremely fit, she is also a marathon runner and keyboard player in her spare time.



RACHIT GOSWAMI

MY DREAM PROJECT

To contribute to education, employability and women's empowerment in this country

ANUSHA SUBRAMANIAN

VINITA GUPTA

More Frequent Vis

Vinita Gupta, 43, Group President and Lupin Pharmaceuticals and Director, Lupin, is based in the United States, but has been in India a lot in the past one year. Vinita has been spending more time outside the US, times taking her six-year-old son, Krish with "He is getting exposure at a much younger age," she says. Gupta herself was exposed to business at the age of 11 by her father Desh Bandhu Gupta, Lupin's founder and Chairman. "We almost had a family board at home, discussing work," she says. Currently work goes well indeed, with Gupta taking new initiatives in India and also making the business more global. "I am focusing on drivers for growth in our business for the next five years," she says. Gupta is married to US-based businessman Brij Sharma.

SUMAN LAYAK

A GOOD DAY IS
When I have d
something cre



FROM A TIME WHEN YOU DIDN'T NEED
A BATTERY OF LAWYERS TO SETTLE AN ARGUMENT

EXPERIENCE THE BEGINNING.



WM. TEACHER & SONS
**TEACHER'S
ORIGIN**

the spirit of achievement



SHOBHANA BHARTIA

Media Mogul

A nominated member of the Rajya Sabha, Shobhana Bhartia also runs one of India's largest media houses. She is Chairperson and Editorial Director of HT Media which had revenues of ₹1,815 crore in 2010/11. "We are systematically building a diversified media conglomerate, in line with emerging trends and opportunities in the business across the world," says the daughter of the late K.K. Birla in HT Media's latest annual report. These efforts include a corporate restructuring last year, followed by a public listing of the Hindi newspaper business. She was not available for an interview.

Bhartia told a TV interviewer recently that she does not feel lonely at the top as a woman. "I won't use the word lonely. But yes I would want to see many more women," she said in the interview.

SHALINI S. DAGAR

VINITA BALI

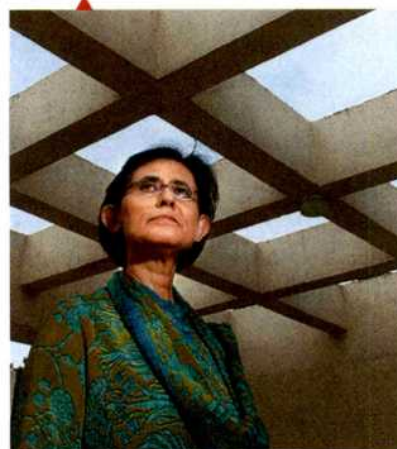
Housewifely Concerns

The rising prices of wheat, sugar and dairy products worry Vinita Bali, 54, Managing Director, Britannia Industries, as much as they do every housewife. They are all key inputs for Britannia's products. While Britannia's revenues have more than doubled since she took over in 2005/06, from ₹1,818 crore to ₹4,246 crore in 2010/11, profit margins have been inconsistent. With food inflation persisting, the company has taken a number of cost control initiatives in the last four years, saving ₹350 crore. Britannia has also tried to differentiate itself by adopting health and nutrition platforms, creating brands like NutriChoice and removing trans fats from its biscuits. In a 30-year-long career, Bali has also worked with consumer goods majors like Voltas, Coca Cola and Cadbury India.

MANU KAUSHIK

WHAT SETS HER APART

I have always made decisions that are not conventional. I worked in Nigeria in 1992 and South Africa in 1993



DEEPAK G. PAMAR



 HILTON
HHONORS

India. A World of Difference Just a Hilton Away

Warm, vibrant and inviting. Enjoy all of India's diversity with Hilton Hotels in Chennai, Mumbai and New Delhi.

From colourful traditions to rich cultures, experience the sights, sounds and scenes of India that will stir your imagination like never before.

Discover a whole new world in India where there is always a Hilton awaiting you.

**For more information and to make a booking,
visit hilton.com/india or call 000 800 440 1071.**

Hilton Chennai
Hilton Mumbai International Airport
Hilton New Delhi/Janakpuri
Eros Hotel - Managed by Hilton New Delhi Nehru Place


Hilton
WORLDWIDE HOTELS & RESORTS



SHEKHAR GHOSH/WWW.INDIATODAYIMAGES.COM



PREETHA REDDY
Joy of Healing

Preetha Reddy, 53, Managing Director, Apollo Hospitals Enterprise, loves art and has even trained in the fine arts. But the healing provided by her chain of hospitals gives her even more pleasure. "Seeing a critically ill patient turn the corner and recover makes my day," says the daughter of Apollo Hospitals founder Dr Prathap C. Reddy. "We are focusing on better processes in healthcare delivery, asking all the time how we can make it all smarter, quicker, more cost effective with better outcomes." As of March this year, Apollo had 8,717 beds across 54 hospitals – 37 owned and 17 managed. Reddy worries about the health of Indian woman. "They tend to make their own health the last priority," she says. "I tell them to look after themselves first, because if a woman falls ill the whole family suffers."

E. KUMAR SHARMA

THE PRICE PAID TO BE HERE

No price. On the contrary, I am here because of many blessings, primarily in the form of having three sisters who along with me work as a team

VISHAKHA MULYE

Show Me the Money

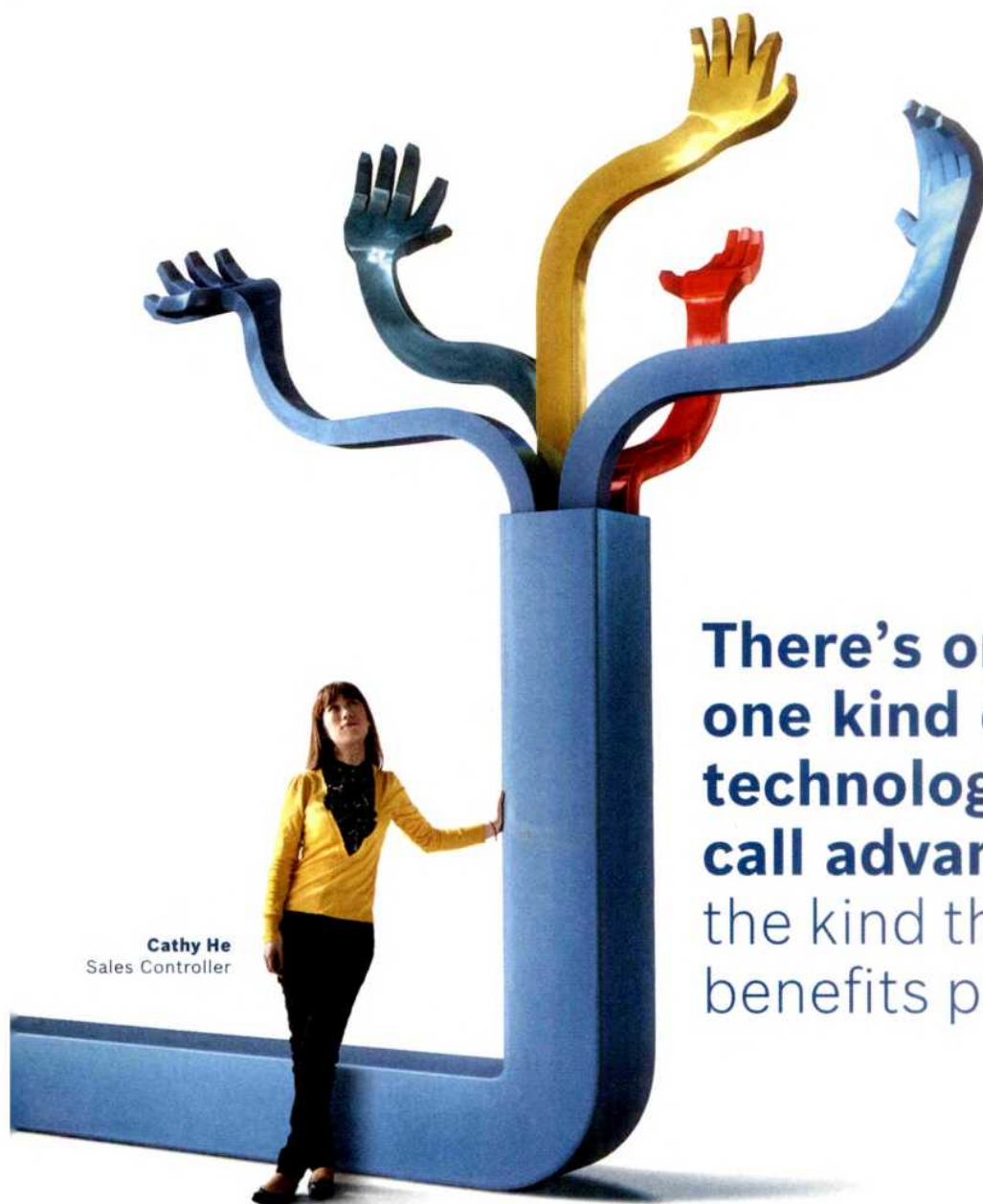
It is an awesome career graph. Vishakha Mulye, 42, took over as Managing Director and CEO of ICICI Venture Funds Management two years ago, after having been Chief Financial Officer of the ICICI group. Since then, she has raised fresh capital of \$400 million (₹1,800 crore) within the country, realised another \$350 million from a dozen exit deals across various funds, and sealed five new investments in high growth companies. She flies tirelessly around the world, meeting investors in the most unlikely countries. "I'm not missing out on anything," she says. The latest preoccupation of this mother of two is the deal she has sealed with the US-based Apollo Global Management to launch a special situations fund. "The stress in the economy and corporate sector will create opportunities to bring in risk capital," she says. She has also begun a \$750 million infrastructure vertical.

ANAND ADHIKARI



WHEN THE GOING GETS TOUGH
Be calm and have faith

NISHIKANT GAMRE/WWW.INDIATODAYIMAGES.COM



Cathy He
Sales Controller

**There's only
one kind of
technology we
call advanced –
the kind that
benefits people.**

25 Bosch
years 1886–2011



It's always good to think about tomorrow today. That's why, to meet the global challenges of our times, we develop, produce, and market internet-based products as well as energy-efficient solutions that protect the planet and go easy on resources. As a leading technology company and service provider with 100,000 associates all over the world, we take our corporate, social, and environmental responsibility seriously. If you, too, believe in ideas that benefit people: www.bosch.com/bosch-thinking



BOSCH

Invented for life



RACHIT GOSWAMI

RENUKA RAMNATH

Triumphant Encore

She was dubbed the 'queen of private equity in India' when she headed ICICI Venture. But in April 2009 she quit abruptly to begin work from scratch on a start-up. The start-up now is a \$450 million (₹2,025 crore) fund, Multiples Alternate Asset Management, backed by top Indian and global institutional investors, of which Renuka Ramnath, 49, is Managing Director and ceo. How tough were the last two years? "With 100 per cent time spent in productive work, my experience was very enjoyable," she says. Her inner strength is evident in the way she reacts to the global economic crisis. On the verge of leaving for the United States for a round of fund raising, she maintains she is unperturbed. "One has to embrace different strategies in different environments," she says.

RAJIV BHUVA

KALPANA MORPARIA

Playing the Good Fairy

During a leadership course some years ago, Kalpana Morparia, 62, CEO, JPMorgan Chase, had to act out what power means to her. She chose to be a fairy. "That is exactly what power means to me – getting things done," she says. She earned a reputation for just that at her previous workplace, ICICI Bank, where she spent more than three decades, and it persists. Lately, she has played the good fairy elsewhere too: she donated around \$330,000 to Bharti Foundation and adopted a school in Gujarat.

SHALINI S. DAGAR

A GOOD DAY IS
When I get
whatever I've
set my heart
on – whether
it is a mandate
we must win
or a person I
wish to hire

VEDIKA BHANDARKAR

Sealing Big Deals

HER PASSIONS OTHER THAN WORK
Kathak. She also plans to take
up Hindustani classical music



NISHIKANT GAMRE

It has been very exciting to help companies raise capital, buy businesses and grow," says Vedika Bhandarkar, 43, Managing Director and Vice Chairman of Credit Suisse in India. Bhandarkar graduated from IIM Ahmedabad in 1989. She was with ICICI and later JPMorgan for some years, and, since last summer, with Credit Suisse. Deals such as the \$1.22 billion sale of Patni Computers to iGate earlier this year are all in a day's work for her. After work, if it is not family or travel, it is learning Kathak or reading. Her dream project? "It will be in education, an opportunity to give back to society," she says.

SHALINI S. DAGAR

MY DREAM PROJECT

To make success
synonymous with Multiples



NISHIKANT GAMRE



Le MERIDIEN

A NEW ERA BEGINS

NOW
AHMEDABAD /
BANGALORE /
CHENNAI / COCHIN /
COIMBATORE / JAIPUR /
NEW DELHI / PUNE

SOON
MAHABALESHWAR

lemeridien.com
facebook.com/lemeridien
T +1 800 258 2555

spg
Starwood
Preferred

Le MERIDIEN

loft

THE LUXURY COLLECTION

WESTIN

FOUR  POINTS


element


Sheraton


ST. REGIS

W
HOTELS



Dare to bare
naturally glowing
skin with Dove.



Take the Dove
7 Day Test and step
out without make-up.

Dove is different from soap. With $\frac{1}{4}$ moisturizing cream, Dove deeply nourishes for softer, smoother, more glowing skin. Try Dove for 7 days and discover your skin's natural glow.



© 2009 P&G

Like us at www.facebook.com/dove

Based on a 7 day consumer study conducted in November, 2009 as against ordinary alkaline soaps.



BT MOST POWERFUL WOMEN

The Other 25

They were strong contenders for the BT Top 25 list this year

Punita Lal, Executive Director (Marketing), PepsiCo India



Once responsible for PepsiCo's beverage branding across India, Sri Lanka, Bangladesh, Nepal and Bhutan, Punita Lal now heads the company's joint venture with Tata Tea, announced in April last year. A St Stephen's, Delhi, and IIM Calcutta alumna, she started her career in advertising with Lintas. She has been with PepsiCo since 2003.

Kaku Nakhate, Country Head and President, Bank of America

Kaku Nakhate worked at DSP Merrill Lynch for 18 years before quitting as Head of Global Markets to join JP Morgan as Vice President in July 2009. It was a homecoming of sorts when she joined Bank of America in June 2010 as Country Head, because by then Bank of America had taken over Merrill Lynch.



Schauna Chauhan, CEO, Parle Agro



Schauna Chauhan, the oldest of Prakash Chauhan's three daughters, is CEO of Parle Agro, which successfully marketed the drinks Frooti and Appy Fizz overseas. Under her leadership, the brand also used Twitter to manage its inventory and replenish stocks of its Hippo snacks, launched in 2009.

Tanya Dubash, Executive Director and President (Marketing), Godrej Group
A Harvard Business School alumna, Dubash has been Executive Director and President of Marketing at Godrej Industries since 1996. She is also a Non Executive Director of Godrej Consumer Products.



Harshbeena Sahney Zaveri, Managing Director and President, NRB Bearings
She joined NRB Bearings in 1987 as a trainee. Since 2001, she has been its President. A graduate of Wellesley College, USA, Zaveri won an award for her contribution to total productive maintenance and quality movement by the Quality Circle Forum in 2005.

Vibha Paul Rishi, Executive Director (Consumer Strategy), Future Group
The marketing whiz, responsible for building Brand Pepsi in India during the 1990s, returned to the country in 2010 after an extended stay overseas, to join Kishore Biyani's Future Group. An alumna of the Faculty of Management Studies, Delhi, she has been spearheading the group's shift from low-cost positioning to premium products and luxury items. She is also associated with Pratham, which works with underprivileged children.



Deepika Warrier, Marketing Director, Frito-Lay
Deepika Warrier is marketing head of Frito-Lay, which holds the top position in the branded snacks segment. An alumna of Lady Shri Ram College, Delhi, and IIM Bangalore, Warrier has spent over a decade with PepsiCo – which owns Frito-Lay. Earlier, she handled brand management and advertising at Britannia, Ogilvy & Mather and Gillette.



Dove

Dare to bare naturally glowing skin with Dove.



Take the Dove 7 Day Test and step out without make-up.

Dove is different from soap. With $\frac{1}{4}$ moisturizing cream, Dove deeply nourishes for softer, smoother, more glowing skin. Try Dove for 7 days and discover your skin's natural glow.



Like us  at www.facebook.com/dove

Based on a 7 day consumer study conducted in November, 2009 as against ordinary alkaline soap.



Dare to bare
naturally glowing
skin with Dove.



Take the Dove
7 Day Test and step
out without make-up.

Dove is different from soap. With $\frac{1}{4}$ moisturizing cream, Dove deeply nourishes for softer, smoother, more glowing skin. Try Dove for 7 days and discover your skin's natural glow.



©2011 Unilever

Like us at www.facebook.com/dove

Based on a 7 day consumer study conducted in November 2009 as against ordinary alkaline soaps.



BT MOST POWERFUL WOMEN

Pallavi S. Shroff,

Senior Partner, Amarchand Mangaldas
As a senior partner at Amarchand Mangaldas, among India's biggest law firms, Pallavi S. Shroff has spent nearly 30 years advising high-profile clients. Under her leadership, the firm has won several national and international awards.



Frenny Bawa,

Managing Director, RIM India
Despite the 2010 security standoff between Research in Motion – the maker of BlackBerry phones – and the Indian government on corporate email access and encryption codes, Bawa has been successful in building the brand in India and keeping customers hungry for its new products.

Vijaya Sampath, Group General Counsel, Bharti Enterprises
With over 25 years experience, Sampath is considered one of the best general counsels in India. She has also served as in-house counsel and company secretary in Indian Aluminium Company.

Sangeeta Pendurkar,

Managing Director, Kellogg India
She started her career with Hindustan Ciba-Geigy – now Novartis – in 1988. Having worked across sectors as diverse as financial services, FMCG and pharmaceuticals, with stints at HSBC Bank, Hindustan Unilever and Coca-Cola, She became Managing Director of Kellogg India last October.



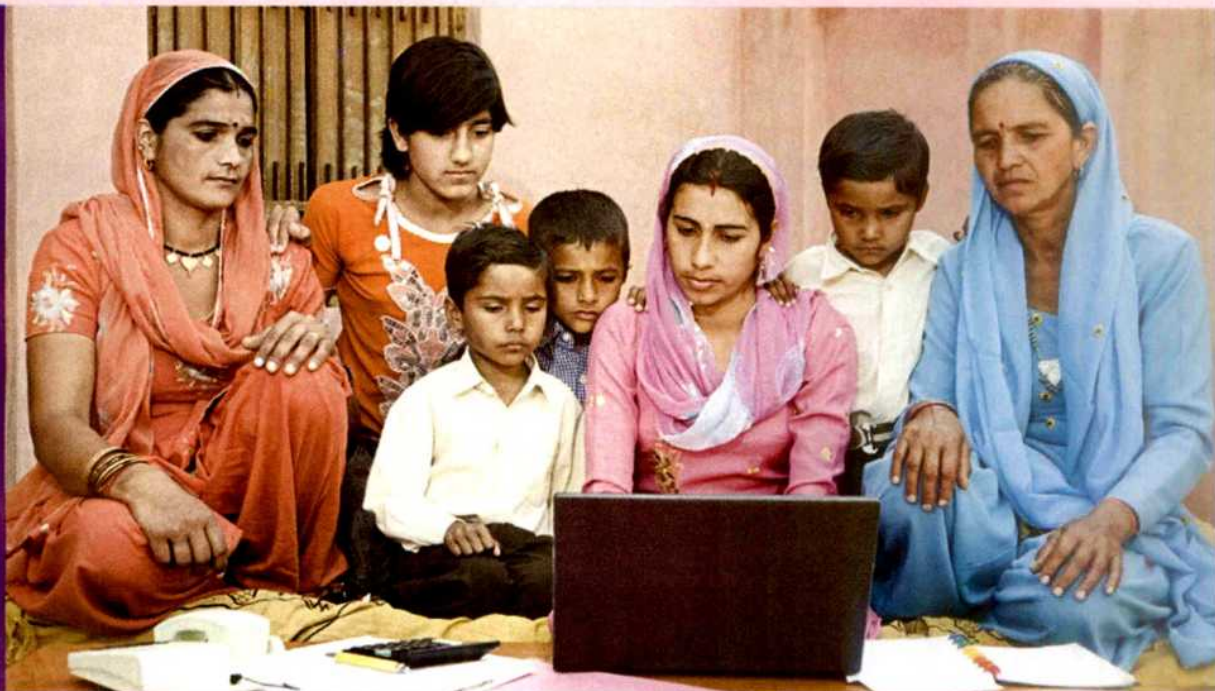
Akila Krishnakumar,

CEO and Country Head, SunGard Offshore Services
Having joined SunGard in 2004, Krishnakumar, a Masters in Management Studies from BITS Pilani, today manages the company's global product delivery model, working with more than 60 SunGard business units.



सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India

"CENTRAL" TO YOU SINCE 1911



A nation is only as strong as its women

India is a nation of diversity. Several Indian women hold positions of great power but a large majority are powerless even in day-to-day situations. The scenario is changing but only when our women are truly empowered and acknowledged as equals, can India be considered as a super power.

Central Bank of India has always supported the empowerment of women. It is a pioneer in setting up a Ladies Division for women customers. The first woman commerce graduate was employed by the Bank. CENT Kalyani is a popular scheme for women entrepreneurs.

Today, as part of Corporate Social Responsibility, the Bank has set up many Self Help Groups in rural areas. In our Centenary Year, we re-affirm our commitment to the cause of prosperity for women.

Celebrating a Century of Empowering Dreams

www.centralbankofindia.co.in • Toll Free No.: 1800 200 1911

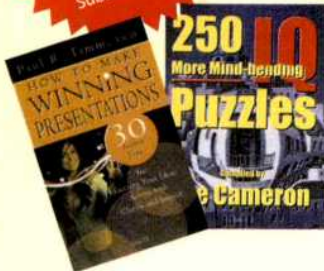
Subscribe to Business Today

Clinch the smartest deal in seconds!

FREE
with 3 years
Subscription: A stylish
Benetton watch
worth ₹ 2599/-!



Two think-smart
Collector's titles
Worth ₹ 350/-
FREE
with a 1-year
Subscription!



business today

FOR MANAGING TOMORROW

Term	No. of Issues	You Pay (₹)	Free Gifts
3 Years	78	2340	Stylish Benetton watch ₹ 2599/- Best Buy
1 Year	26	780	2 Think-Smart Collector's Titles - How to make winning presentations + 250 IQ Mind Bending Puzzles worth ₹ 350/-

Please fill in the form and send it back to us in the address mentioned below

Subscription Savings Form

Send form with payment to LIVING MEDIA INDIA LTD.,
A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

- ☐ 3 Years (78 Issues) : Pay ₹ 2340/- + Get Stylish Benetton Watch Worth ₹ 2599/- **Best Buy**
☐ 1 Year (26 Issues) : Pay ₹ 780/- + 2 Think-Smart Collector's Titles - How to make winning presentations + 250 More Mind-bending IQ Puzzles worth ₹ 350/- FREE

Name..... Address.....

..... City.....

Postal Code..... Tel./Mobile..... E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ MasterCard ☐ American Express

Card No.....

Expiry..... Signature.....

Payment Enclosed: ☐ Cheque ☐ DD No..... (in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 10/-)

Subscription Terms & Conditions: Cover Price of BT is ₹ 30. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. Add Rs. 10/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are despatched. Terms & conditions apply.



BT MOST POWERFUL WOMEN

Ameera Shah,

MD and CEO, Metropolis Healthcare
From just one diagnostic centre in Mumbai in 2003, Metropolis Healthcare now has 65 laboratories across South Asia, Mauritius, South Africa, Bangladesh, Nepal, and West Asia. Metropolis clients include more than 10,000 small labs, nursing homes and hospitals, and over 20,000 consultants.



Swati Ramanathan,

Founder, Janaagraha

She started Janaagraha, an NGO working to increase citizen participation in public governance, in 2001, and has been involved in its anti-corruption campaigns. She also heads the Indian Urban Space Foundation, a partner programme of Janaagraha that emphasises spatial planning to bring about change.

Trishla Jain, Artist

Stanford graduate Trishla Jain is a rising artist whose painting exhibitions have drawn much praise. She is also the daughter of Samir Jain, Vice Chairman of the Times Group. The portfolio includes newspapers *The Times of India* and *The Economic Times*, TV channels Times Now, Zoom and ET Now; FM radio network Radio Mirchi, as well as Times Private Treaties – the private equity arm of the group, which barter ad space for equity, and has stakes in over 135 companies.

Minal Vazirani,

Co-founder, Saffronart

She gave up her job as management consultant with Booz Allen Hamilton about a decade ago to venture into the Indian art market. Today she is the director of India's largest online art auction house, which she co-founded. At its first auction in 2003, Saffronart sold works worth ₹60 lakh. Its current revenues are about ₹230 crore annually.



Dove
damage therapy



Who says
it's okay
to lose
100 strands
a day?



Dove
damage therapy



Dove Hair Fall* Rescue
Reduces hair fall from
100 to 2



www.facebook.com/dove

*98% reduction of hair fall due to
breakage with regular use,
based on lab test vs. non-conditioning shampoo.



BT MOST POWERFUL WOMEN

Leena Srivastava,

Executive Director, Operations, TERI
In more than 28 years at TERI, Leena Srivastava has worked on a range of subjects from energy and energy economics to environment policy and climate change. Srivastava is also a member of the UN Secretary General's Advisory Group on Energy and Climate. In 2008, she was awarded the Knight of the Order of Academic Palms (Chevalier dans l'Ordre des Palmes Academiquess) by the French government.



Lynn de Souza,

Chairman and CEO,
Lintas Media Group
Lynn de Souza has spent over 25 years in media planning, buying, research and management. She is also a qualified veterinary nurse, who started and now chairs the Goa Society for Prevention of Cruelty to Animals.

Meenakshi Saraogi,

Joint MD, Balrampur Chini Mills
Meenakshi Saraogi has been the driving force behind Balrampur Chini Mills, transforming it from a single factory to a sugar conglomerate. A Padma Shri awardee, she has already spent 25 years in the business.

Ranjani Ranganath,

Senior MD, Global
Development Centre, Cisco
She never studied engineering. Yet Ranjani Ranganath has made a mark in the IT sector. Currently with CISCO, she earlier ran her own consultancy and has also spent several years in banking and financial services.



Arathi Krishna,

Joint MD, Sundram Fasteners
A gold medallist in Economics from Madras University, Arathi Krishna joined the family business in 2006 and is now Joint Managing Director, Sundram Fasteners, part of the \$5 billion TVS Group.

Anisha Motwani,

Director and Chief Marketing Officer, Max New York Life Insurance

Anisha Motwani was responsible for several memorable and effective advertising campaigns in her 19-year career. She has worked with agencies such as Leo Burnett, Mudra Communications and McCann Erickson.



Bala Deshpande, Senior MD, New Enterprise Associates

In 2008, Bala Deshpande left ICICI Venture to join New Enterprise Associates, or NEA, a US-based venture capital fund. A Masters in Economics and an MBA, she has worked with FMCG companies such as Bestfoods and Cadburys. NEA, which had raised a \$2.5-billion global fund in January 2010, plans to allocate 15 per cent of it to investments in India.



Sminu Jindal, MD, Jindal SAW

She started her career in the family business as a trainee. Today she heads the fourth-largest industrial house in India. Jindal has been wheelchair-bound since the age of 11 when a car accident left her paralysed from the waist below. She has also set up Svayam, an NGO which seeks to help mobility-impaired people. One of its important campaigns seeks to improve access to public places for the disabled.

Deepa Misra Harris,

Vice President, Marketing, Taj Hotels Resorts and Palaces

Deepa Misra Harris has been with the Taj Hotels for 25 years. Starting off as a Sales Executive, she now heads Marketing across all four brands – Taj, Vivanta by Taj, Gateway and Ginger.



Dove
damage therapy

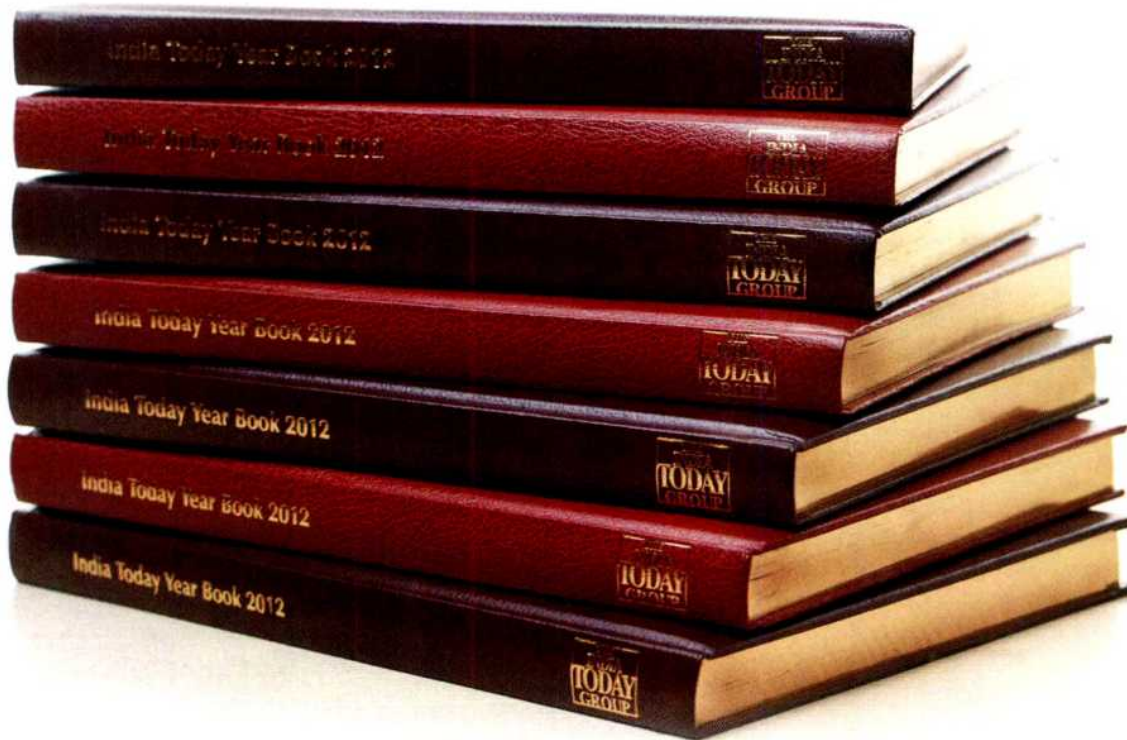


Dove Hair Fall* Rescue
Reduces hair fall from
100 to 2



www.facebook.com/dove

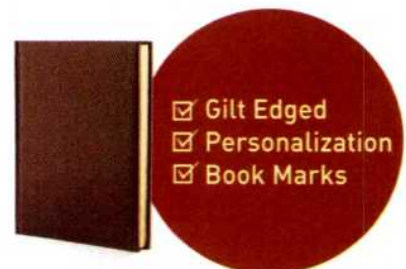
*98% reduction of hair fall due to breakage with regular use, based on lab test vs. non-conditioning shampoo.



A STATEMENT OF SUCCESS

Announce your success to the world with the India Today Year Book—an elegant annual planner made from the finest parchment paper and perfectly bound in premium, durable material in attractive corporate shades. With handy information on everything; from vital health facts to finance, from travel guides to time zones, from calories to conversions to 2011 census statistics, the Yearbook is just what successful professionals like you need. It comes with the option of gold embossing your name on the cover—making it your personal signature of success.

India Today's signature collection is also available in a range of sleek and sophisticated executive diaries, planners, and gift sets to help you plan and organize your days. The chic finish, functionality and the specially designed features make this unique collection everything a leader like you needs to start the year on a perfect note.



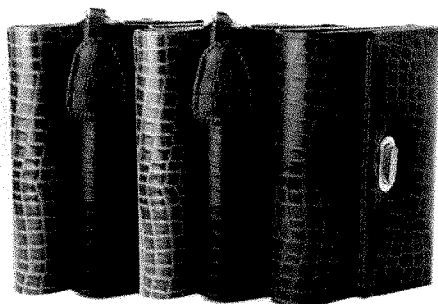
• **DIARIES** • **PLANNERS** • **GIFT SETS** • **REFILLS** • **NOTEBOOKS**

ALL NEW 2012 RANGE

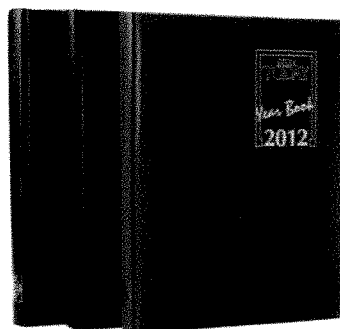
DIARIES



CROCO PLANNERS



YEAR BOOKS



REGULAR PLANNERS



ORDER NOW TO AVAIL PRE-LAUNCH DISCOUNT
OFFER VALID UPTO 30th SEPTEMBER 2011

		SIZE (Cm.)	MRP (Rs.)	SPL. PRICE (Rs.)	QTY.	AMT (Rs.)
DIARIES						
FORMAT: WEEK - AT-A-GLANCE						
IT201	YEARBOOK (Leather)	22*27	1200	1080		
IT101	YEARBOOK	22*27	750	675		
IT111	YEARBOOK (Black)	22*27	750	675		
IT202	SLIMLINE (Leather)	9*18	395	355		
IT104	SLIMLINE	9*18	245	220		
FORMAT: 2-DATES-A-PAGE						
IT114	ORGANISER	18*26	415	375		
IT110	POCKET LINE (Leather)	8*10	150	135		
IT108	POCKET LINE	8*10	99	90		
FORMAT: PAGE-A-DAY						
IT106	EXECUTIVE	22*27	650	585		
IT112	EXECUTIVE'S INSPIRATION (Black)	22*27	675	610		
IT107	PROFESSIONAL	18*26	575	520		
IT109	COMPANION	18*24	525	475		
IT102	PAGE-A-DAY	13*19	450	405		
IT122	DAY PLAN	10*16	250	225		
GIFT SETS						
IT200	LEATHER SET (Yearbook / Slimline / Address Book)		1995	1795		
IT205	LEATHERETTE SET (Yearbook / Slimline / Address Book)		1200	1080		
ADDRESS BOOKS						
IT203	ADDRESS BOOK (Leather)	13*22	500	450		
IT204	ADDRESS BOOK	13*22	250	225		
PLANNERS						
FORMAT: PAGE - A - DAY						
IT217	EXECUTIVE PLANNER (Leather Black, with calculator)		1750	1575		
IT210	PLANNER (Leather Red, with cell case)		1595	1435		
IT211	PLANNER (Leather Tan, with cell case)		1595	1435		
IT216	PLANNER (Leather Black, with cell case)		1595	1435		
IT212	PLANNER (Leather Red, with calculator)		1595	1435		
IT213	PLANNER (Leather Tan, with calculator)		1595	1435		
IT215	PLANNER (Leather Black, with calculator)		1595	1435		
IT218	EXECUTIVE PLANNER (Leatherette Black, with calculator)		1200	1080		
IT214	PLANNER (Leatherette Black, with cell case)		950	855		
IT219	PLANNER (Leatherette Black, with calculator)		950	855		
FORMAT: WEEK - AT- A-GLANCE						
IT222	MINI PLANNER (Leatherette) (Black, Brown, Golden, Red, Silver)		600	540		
CORPORATE DIVAS						
IT220	CROCO PLANNER (Leatherette) (Black, Purple, Maroon) with matching key chain		1550	1395		
GIFT SET						
IT225	PLANNER & MINI PLANNER (Planner Leatherette Black with Calculator) (Mini Planner Leatherette Black)		1445	1300		
REFILLS						
IT302	REFILLS FOR PLANNERS		600	540		
IT402	REFILLS FOR EXECUTIVE PLANNERS		700	630		

Add Rs.50/- per diary / planner for embossing of full name
Add Rs.30/- per diary / planner for embossing (max. three initials)
Add Rs.30/- per diary / planner for company logo embossing
Gift wrapping can be ordered for Rs.35/-
Add Rs.25/- for non-Delhi cheques
Add Rs.30/- for handling charges

GRAND TOTAL

*Minimum order should be 25 diaries. Logo artwork or positive to be provided.

My Particulars: (please fill in CAPITAL LETTERS)

Name.....

Address.....

City.....

State.....

Pin..... Tel.No.Resi.....

Off..... Mobile.....

Email.....

☐ Enclosed is my crossed cheque/DD No.

drawn on (specify bank).....

(specify branch)..... Dated.....

for Rs..... payable to Living Media India Ltd.

☐ Please charge my credit card ☐ VISA ☐ MasterCard ☐ American Express

Credit Card No.

Card Expiry Date Date of birth

Card Member's Name.....

Card Member's Signature.....

Please Note: Order Form along with remittances should be mailed to India Today Diaries, India Today Group, A-61 Sector 57, Noida 201301. * Rates valid in India
* Orders will be delivered by registered post/courier from Nov '11 onwards
* Embossing details should be enclosed on a separate sheet * For gift instructions please give recipient's name, address and embossing details on a separate sheet.

Call: 0120-4078057

Email: diaries@intoday.com

Website: www.indiatodaydiaries.com





Breaking the Mould

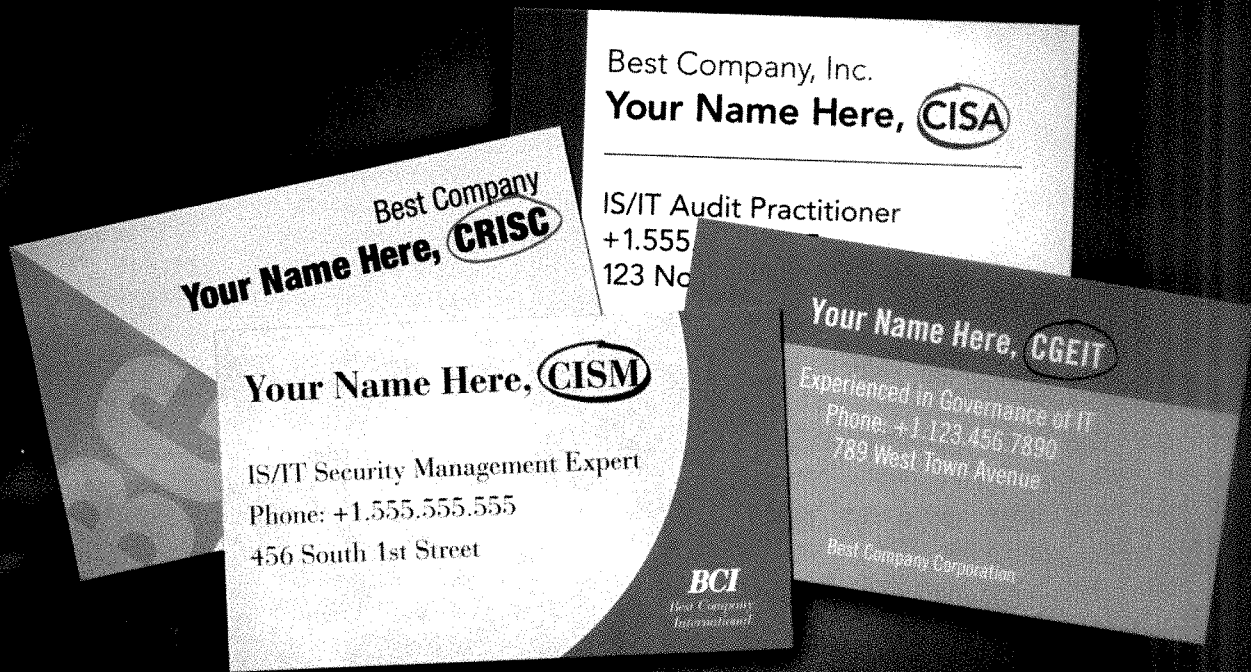
How women can overcome the obstacles they face in their climb to the top

By SHALINI S. DAGAR

Not all men have it in them to become CEOs. Nor do all women. "I think this gender thing is a bit overplayed," says Vinita Bali, Managing Director, Britannia. "Ultimately, it is competence, skills, attitude and ability to lead that matter."

Individual capacity is vital to a person entering the corner office. But the fact remains that currently the overwhelming majority of people occupying these offices is male.

Demonstrate your value without saying a word.



Résumés/CVs may *list* your experience and knowledge,
but an ISACA® certification designation after your name *proves* it.

www.isaca.org/certification-businessstoday



Certified Information
Systems Auditor®
An ISACA® Certification



Certified Information
Security Manager®
An ISACA® Certification



Certified in the
Governance of
Enterprise IT®
An ISACA® Certification



Certified in Risk
and Information
Systems Control®
An ISACA® Certification

December Exam Date: 10 December 2011

Registration Deadline: 5 October 2011

ISACA®
Trust in, and value from, information systems



There is a dearth of women at the top even in companies known for encouraging gender diversity. Infosys, for instance, takes in a large number of women every year. Yet, only 25 per cent of its middle managers are women. Among senior managers, only seven per cent are women. Nandita Gurjar, who heads Human Resources at Infosys, says it takes time to change the

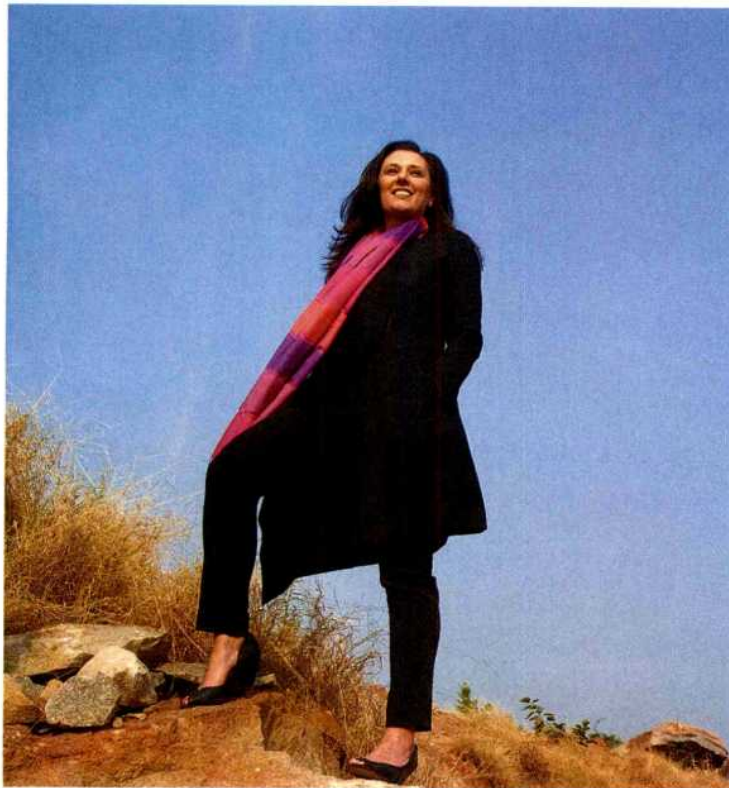
neers make better managers."

If entering the corporate world is not easy for women, personal issues make it difficult for many to continue in it, especially for women in the age group of 27 to 32 years. "Either it is unhelpful spouses or fertility-related problems," says Ramkumar. "At this stage, there are also serious conflicts about whose career is more important – the husband's or the wife's. For every two bright women I recruit, one drops out."

The women who manage to continue in their jobs are the ones who have family support. "The ones who stay on, stay for the long haul," says Anjali Bansal, Managing Director, Spencer Stuart India, a headhunting firm. "And they are usually supported by family." Such support is critical both when women have children as well as when they enter the career-building age. "Bringing up my children, and balancing work and family was almost effortless for me because of my husband's support," says Vedika Bhandarkar, Managing Director and Vice Chairman, Credit Suisse.

Should organisations also make an extra effort to retain their female employees? Not many allow flexi-hours and similar enablers to help women employees through their overworked patches. What do companies, which have a large number of women at the top, do differently? ICICI Bank is one of them. "We do nothing. There is no chivalry, no kid gloves, there are no affirmative action committees," says Ramkumar. "Your system has to be a pure meritocracy. No woman can play the 'woman card'. Equally, no one here will say women can only do certain jobs and not others."

But the least companies can do is shed their prejudices. A prominent headhunter recounts an incident where a senior manager dithered on hiring a young woman, fearing marriage and motherhood in the coming years would distract her. "Such mindsets die hard," the headhunter says. "A pregnancy would not be some debilitating illness that would permanently impair her performance. A 50-year-old male manager could also fall ill."



VIVAN MEHRA/www.indiatodayimages.com

"Women need to have a near military-like personal discipline... Letting anything slip is not an option"

SHAILJA DUTT,
MD, STELLAR SEARCH

gender pattern. "In 2000, around 12 per cent of those coming out of engineering colleges were women, now it is 15 per cent," she says. "I expect there will be huge growth in the number of women in India Inc. in five to 10 years."

If there are few women emerging from engineering colleges, the same is true of management schools. "Over the last 30 years, only 15 per cent of those coming out of top B-schools have been women," says K. Ramkumar, Executive Director, ICICI Bank. "That stems from the intake system which is skewed in favour of engineers. There is no research to show engi-



Bank of India

Relationship beyond banking

Special Gifts for Special Relationships



BOI Gold Coins

Now at discounted rates

Bank of India presents Gold Coins worth its purity and weight for investment/gifting

Limited Period Discount Offer

Quantity of Gold coins in gms	Per Gram
Up to 100	₹ 5/-
101 to 250	₹ 7/-
251 to 500	₹ 10/-
501 to 1000	₹ 12/-
Over 1000	₹ 15/-

- 24 Karat 999.9 Gold Coins made in Switzerland with Assay certification.

- Available in 4g, 5g, 8g, 10g, 20g and 50g at all branches.

BOI Gift Cards

Wonderful gifting solution for all occasions and makes a great surprise too!

- Issued free of cost.
- Choice of denomination up to ₹ 50,000.
- Can be used any number of times up to the amount pre-loaded.
- This card can be used at over 5 lakh retail outlets across India.
- Available at any Bank of India branch in India.



*conditions apply

THINGS TO REMEMBER ON YOUR WAY TO THE CORNER OFFICE

Competence matters: *Be a master of your domain*

Perspiration is unavoidable: *There is no alternative to hard work*

Discipline needed: *Slack makes for unhappy choices*

Get buy-in from family and office: *Support makes life much easier*

Ask for help: *Doing it alone does not help*

Aim for the stars: *Take on challenges*

Being unpopular is fine: *You cannot please everyone*

There are also some means women themselves can use to prosper professionally, such as projecting themselves better. Global research has shown that a woman applies for a job only if she meets all the criteria laid down for applicants. That is not true of men.

Successful women, says Bansal, have a



NISHIKANT GAMRE/www.indiatodayimages.com

women's advantage. Some women achievers themselves freely acknowledge this. "I give complete credit to my transformation from a corporate lawyer to a corporate leader to K.V. Kamath," says Kalpana Morparia, former Joint Managing Director of ICICI Bank, and currently CEO of JPMorgan. (Kamath is ICICI Bank and Infosys Chairman.) "But for him, I would have retired as head of the legal department at ICICI."

Finally, employing more women is not only in the interests of women but also of companies. Considerable research has shown that employee diversity improves corporate performance. "The *Fortune* 500 companies which are in the top quartile in employing women outperform those in the lowest quartile by a large percentage," says Latha Ramanathan, Senior Director, Deloitte Touche Tohmatsu.

"The ones who stay on, stay for the long haul... And they are usually supported by family. Successful women have a killer work ethic"

ANJALI BANSAL,
MD, SPENCER STUART INDIA

killer work ethic. "Letting anything slip is not an option," says Shailja Dutt, Managing Director, Stellar Search, a head-hunting firm. Women need to have a near-military-like personal discipline. An additional disadvantage for women at the workplace, she points out, is that while they are quite capable of matching their male counterparts at office intrigue, they do not have the time for it, being too busy multi-tasking.

Tapping into informal networks or finding themselves mentors also works to

Understanding women as consumers is also crucial for companies, and who better to do so than a company's female employees? Women are expected to control around \$28 trillion of consumer spending by 2014, says a recent report. "Getting more women into the workplace who understand the buying preferences of women consumers is important," says Deloitte's Ramanathan. Thus companies that hire and retain more women are not only doing the politically correct thing but also giving themselves a competitive edge. ♦

Smarter business for a Smarter Planet:

Most boats are moved by propellers. This one was moved by intelligence.

There are thousands of different types of boats, but to a boat dealer, there are really just two: boats that have been sold and boats that haven't. MarineMax®, the world's largest boat retailer, is using Cognos® business analytics software to make sure its boats aren't languishing in showrooms, hurting its bottom line. By better aligning inventory decisions with customer demand, MarineMax reduced its planning cycle from 3 months to 3 weeks, cut costs by 48% and ultimately moved more boats. A smarter planet is built on smarter software, systems and services.

Let's build a smarter planet. ibm.com/insights/in



*Data visualisation of revenue
projections for monthly boat sales.*

IBM, the IBM logo, ibm.com, Cognos, Let's Build a Smarter Planet, Smarter Planet and the planet icon are trademarks of International Business Machines Corporation, registered in many jurisdictions worldwide. MarineMax and the MarineMax logo are registered trademarks of MarineMax Inc. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at www.ibm.com/legal/copytrade.shtml.
© International Business Machines Corporation 2011.



Why Mayawati Will Repeat Her Success



There is good reason to believe that Mayawati, regardless of the storm of allegations raging around her, is clearly the frontrunner in a four-way contest between the BSP, SP, BJP and the Congress

Uttar Pradesh Chief Minister Mayawati remains a perplexing political enigma even after having ruled the country's most populous state for more than four years. In the past, political observers, who had been baffled by her incredible ascent despite breaking every rule of the political game, used to complain that her stints in power were too brief to judge her properly. (She was chief minister for three short periods earlier.) But even now, after she has lasted almost a full term in office, there is still considerable bewilderment about her trajectory.

On the face of it, the Bahujan Samaj Party, or BSP, supremo is in deep trouble. The media crucifies her almost on a daily basis for rapes, scams and a multitude of other serious crimes taking place in UP that are all laid at the beleaguered chief minister's doorstep. If one were to believe the headlines the state government is on the verge of collapse.

Yet, as we approach next summer's crucial state assembly polls which should logically seal the fate of the BSP regime, voices on the ground suggest otherwise. There is good reason to believe that Mayawati, regardless of the storm of allegations raging around her, is clearly the frontrunner in a four-way contest between the BSP, the Samajwadi Party, or SP, the Bharatiya Janata Party, or BJP, and the Congress.

In the past Mayawati has shown rare skill in mobilising three layers of electoral support – a core Dalit base with an inner nub of support from her own Jatav sub-caste, the dominant Dalit group in UP; a subsidiary prop from the poorer backward castes and Muslims who have a shared grievance with Dalits against economic exploitation and social oppression by the upper castes and the rising middle castes; and the additional backing of influ-

als lured with the promise of a seat in the assembly. This strategy worked like a dream in the last elections helped by the tail wind of widespread anti-incumbency against the previous Mulayam Singh Yadav government. The question is whether Mayawati can repeat last election's grand success now that anti-incumbency is blowing not for but against her.

While there is little doubt that a united opposition harnessing a massive anti-incumbency wave would topple Mayawati, this appears unlikely at the moment. The opposition is both badly divided and lacks leaders of substance. Mulayam Singh Yadav is today a lion in winter, while the Congress and BJP have nobody to challenge a leader of Mayawati's stature. Besides, the BSP chief has indeed managed to further consolidate her support among the Dalits and subsidiary poor backward castes and poor Muslims through a host of programmes and measures – although these may have been piecemeal and far from comprehensive. Similarly, self-interest is likely to guide upper and middle caste groups and leaders looking to collaborate with the BSP for mutual benefit. The urban middle class is undoubtedly up in arms against the Dalit leader but they would not have voted for her in any case.

What has no doubt helped her in the face of the unrelenting barrage of attacks by the media and her opponents is her ability to fight back from situations of extreme adversity. In this she is, perhaps, quite like two contemporary sister politicians – J. Jayalalithaa and Mamata Banerjee – and the three could well form a unique trinity dominating Indian politics for the next decade at least.

Mayawati, however, has disappointed those who hoped she would scale heights greater than ruling UP. Her party has failed to extend its clout to other states of India. ♦

The writer is the author of Behenji: A Political Biography of Mayawati



For full text go to www.businesstoday.in/mayawati

BREAKTHROUGH SECURITY IDEAS ALMOST IMPOSSIBLE TO BREAK THROUGH



**14th INDIA
INTERNATIONAL
SECURITY EXPO**

**Limited stalls
available.
Book now.**

VENUE → Hall No.10 & 11, Pragati Maidan, New Delhi **DATE** → October 12 - 15, 2011
TIMINGS → **Business Visitors:** 10:00 am to 3:00 pm, **General Public:** 3:00 pm to 6:00 pm

Thousands of world-class security exhibits including



Access Control System



Surveillance Device



Fire Fighting Suit



Bullet Proof Jacket

14th India International Security Expo is a home to the nation's largest security products and services. The Expo will witness visitors from Anti-terrorist Squad, State and Central Police Forces, Security Heads of Hospitals, Hotels, Banks, Malls, Corporate & RWAs. The world-class Security expo will raise excellent business opportunities for the exhibitors.

Display Profile: Access Control Systems, Perimeter Protection Device, Surveillance Devices, Burglar Alarm System, Explosive Detection & Disposal Devices, Aviation Security, Disaster Management & NBC Equipment, Equipment for Forensic Science Laboratories, Information Security Devices, Audio/Video Surveillance Devices and De-Bugging Devices, Fire Alarm and Fire Fighting Equipment, Radio Communication Systems, Traffic Monitoring and Management Systems, Arms & Equipment for Counter Terrorism, Insurgency, Anti-naxalism and Security Law Enforcement, Crowd Control Gadgets / Anti Riot Drill Equipment, Bullet Proof Jackets, Airport Security Systems, Explosive Detection / Disposal, Intruder Alarm Systems, Ballistic and Blast Protection Systems, Rescue and Relief Equipment, Emergency & First Aid Management Devices, Air Purifying Respirators, Information Technology and Security Services, Armored Personnel Carriers, Emergency Lighting Systems, Vehicle & Personnel GPS System, Police Training Equipments

Supported by: Ministry of Home Affairs • Bureau of Police Research & Development (BPR&D) • Delhi Fire Service (DFS) • Central Industrial Security Force (CISF) • Border Security Force (BSF) • National Security Guard (NSG) • Intelligence Bureau (IB) • Delhi Police (DP) • Central Reserve Police Force (CRPF)

For online registration log on to our website www.indiatradefair.com, www.indiainternationalsecurityexpo2011.com
 or email us on vikram@itpo-online.com, raj Chopra@itpo-online.com

Bringing Women on Board



Why are there so few women on Corporate India's boards? Companies complain they cannot find enough of them. This is partly true. But the whole truth should also include the way the nominations committee process works in most boards



For full text go to www.businessstoday.in/rama

The case for diversity is proven. A group comprising people with different mind wiring and experiences can deliver intellectually superior and innovative outcomes on any issue compared to a group which is homogeneous.

This argument applies to gender diversity on corporate boards. In addition, effective corporate boards are about 'balance'. They must be fierce watchdogs yet supportive mentors of the management; they must ask tough, detailed questions on business and management performance – even while respecting the management's freedom to perform. They need to ensure the balance of long- and short-term orientation, and the good of all stakeholders – investors, employees, business partners and society at large, and ensure the right company values and talent pool.

This not only makes the case for balancing intellectual, life and career experiences and skills on boards, but also for balancing masculine and feminine traits. Researcher Sandra Bem, a Stanford University psychologist, developed the concept of 'androgynous' behaviour. "Androgynous people can be aggressive or yielding, forceful or gentle, sensitive or assertive as the particular situation demands," she says. Given a board's job description, androgynous individuals would make great board members. But we know that while masculine and feminine traits are present in all human beings, the process of socialisation causes one set of traits to dull. So perhaps, the best way to create androgynous boards is by having a good mix of men and women on them.

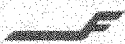
But why are there are so few women on Corporate India's boards, and how do we change that? Companies complain that they cannot find enough of them. This is partly true. But the whole truth also includes the

way the nominations committee process works in most boards. All too often the shortlisting is done by asking 'Is there anyone we know who will be good for this board'. Given the skewed ratio of men and women in visible senior positions, the default option usually is a man. There are several qualified women out there, and the way to find them is for nomination committees to spend some money and advertise, or ask a headhunter to systematically create a database from which to choose. If nominations committees were to follow more formal search processes and adopt affirmative action, there will be a quantum jump in the number of women on Indian boards, without lowering entry standards in any way.

Should we women worry about whether a company including just one woman on the board is 'tokenism'? Absolutely not. Even though being the only one of a kind is daunting, we need to instead ask ourselves once on the board: do we show independent thought, and spine, or do we try desperately to belong to the male club that recruited us as tokens thereby frittering away the opportunity to demonstrate the effects of genuine diversity?

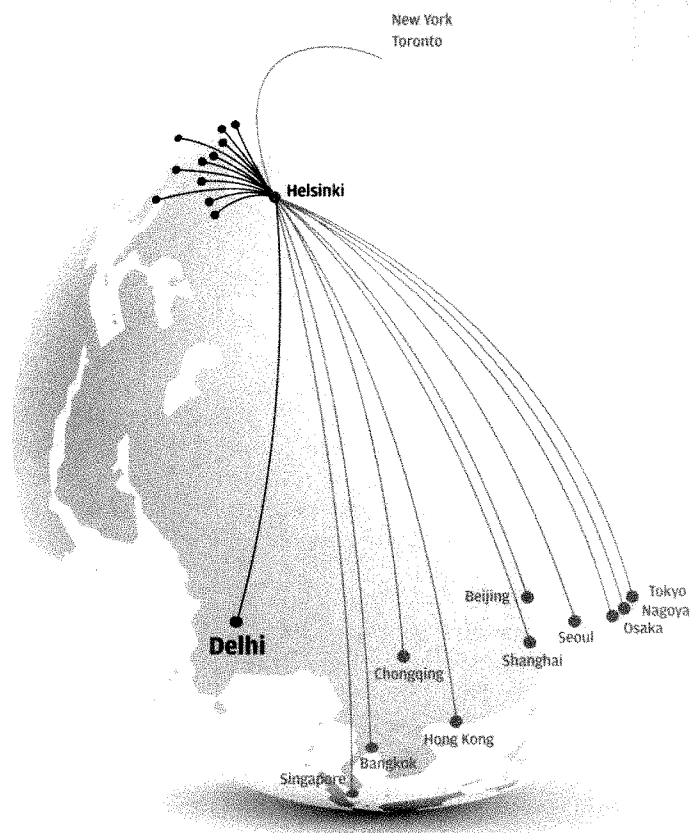
Women board members should not buy the conventional wisdom of audit committees being the most powerful place to be. That is just where the money gets counted. On the other hand, there is enormous, long-lasting value to be added to the company and society by being on the remuneration committee and implementing reward systems that look beyond financials and incentivise 'value right' business-strengthening behaviour. Nomination committees are also crucial because that is where who comes on the board and how is decided. That is where the board perpetuates itself. That is the place from which gender diversity on boards can be driven and better boards built. ♦

The writer is an independent director on several boards and an expert on consumer behaviour



FLY THE SHORTCUT TO EUROPE

ON FINNAIR



Fast to 50+ destinations via Helsinki

Experience distinctive Finnair service and enjoy smooth transfers
via Helsinki to arrive relaxed and refreshed for business.

- Convenient morning departures from Delhi on latest A330 aircraft
- Choice of Indian/Continental cuisine • Complement of Indian crew • Lie-flat seats in Business Class
- SMS check-in for Finnair Plus members • Friendly fares • Finnair - ranked amongst the world's five most innovative airlines • Helsinki airport - rated one of the finest in the world

For corporate travel benefits visit www.askforanoffer.finnair.com

Call toll free **1800 102 1233** or contact your travel agent

Visit finnair.com/in

Enjoy air mile benefits with **oneworld** alliance

Welcome aboard the youngest fleet in Europe!



FINNAIR

DESIGNED FOR YOU



'Something to Learn from the Indian Woman CEO'



SHEKHAR GHOSH

RIPA RASHID, co-author with Sylvia Ann Hewlett of *Winning the War for Talent in Emerging Markets*, visited India recently. Their book looks at how employers attract and retain women in Brazil, Russia, India and China, or BRIC, nations – as well as in the United Arab Emirates. Edited excerpts from an interview with **SOMNATH DASGUPTA**:

On the hurdles women face in the Indian private sector

The first are the hidden biases. So, when women come back from maternity leave, they might get put on a less visible project, or they might not be given assignments that require travelling. So it is a hidden set of biases and assumptions that they are less committed to their work.

The second is the networks. Women all over the world rely on putting their heads down and working, and assuming someone will look up and say, great, let's promote you. Women need to be educated about the need to toot their own horn. They don't ask for things and they keep themselves back.

Winning the War for Talent in Emerging Markets: Why Women are the Solution

Sylvia Ann Hewlett and Ripa Rashid
Harvard Business Review Press

Three, people need seniors who are willing to support them, to take a risk on them, to move them up. As a woman you need to make your work known and build relationships.

On women CEO models

Thirty years ago, because there were very few women at the top, the ones who had to be there modelled themselves on men. But as more women get to the top, there is a broader range of styles there. So you will find some who are more like men, and some who are more feminine.

There aren't unfortunately that many women CEOs at least in the West, so there aren't that many positive examples... I think there are many more in India. The rise of India is creating a more inclusive type of leadership globally... more of a middle-path, balanced leadership.

On 'too much' ambition

Women with too much ambition are still perceived as a threat in many environments. We are talking of systems that have evolved for over 50

years, and when they were started they were for a workforce that was pretty much 100 per cent male. Women are essentially newcomers to this workplace. So everything they do is suspect. If a woman is assertive, she is too aggressive; if she doesn't talk too much, she doesn't have leadership potential!

India has more women at the top, and I think there is something to be learnt from the Indian way. I think maybe there is something to be learnt from the Indian female CEO.

On working from home

India is probably ahead of the other countries in being okay with a lot of flexibility and virtual work, because of the BPO industry here... In countries such as China and Brazil, 'face time' is a much bigger issue. In Brazil, the other big problem is daily danger. In Rio and Sao Paulo, people don't want to take their laptops home with them because they will get mugged.

Also, people do not necessarily like to work from home. In China, for example, they are often living in small apartments with four elders.

We find very few women wanting to work from home all the time. What women want is flexibility at the edges – when to come in, when to leave, may be half a day at home.

On companies headed by women as employers of women

Such organisations often do have different cultural imperatives. I have a friend who works in PepsiCo in the US, and Indra Nooyi apparently sends these personal inspirational notes every day. I can't think of any male CEOs doing it. I think it is not necessarily the CEO who should be a woman, but the senior management team should include women. ♦

INVITATION PRICE **Rs.500/-** ONLY!

HBRASIA.ORG SOUTH ASIA

Harvard Business Review



SEPTEMBER 2011

42 The Big Idea

Three Myths About
Health Care Exploded

Robert S. Kaplan and Michael E. Porter

113 Managing Yourself

How Great Bosses Engage
Their Employees

Charalambos A. Vlachoutsicos

37 How I Did It

EBay's Founder on
Innovative Social Change

Pierre Omidyar



INVITATION
PRICE
Rs 500

EMBRACING COMPLEXITY

India.....	Rs	750
Bangladesh.....	Taka	1180
Bhutan.....	Ng	775
Myanmar.....	K	110
Nepal.....	N Rs	1250
Sri Lanka.....	Rs	1750



**You can't avoid it, but your
business can profit from it.**

GRAB YOUR COPY NOW!

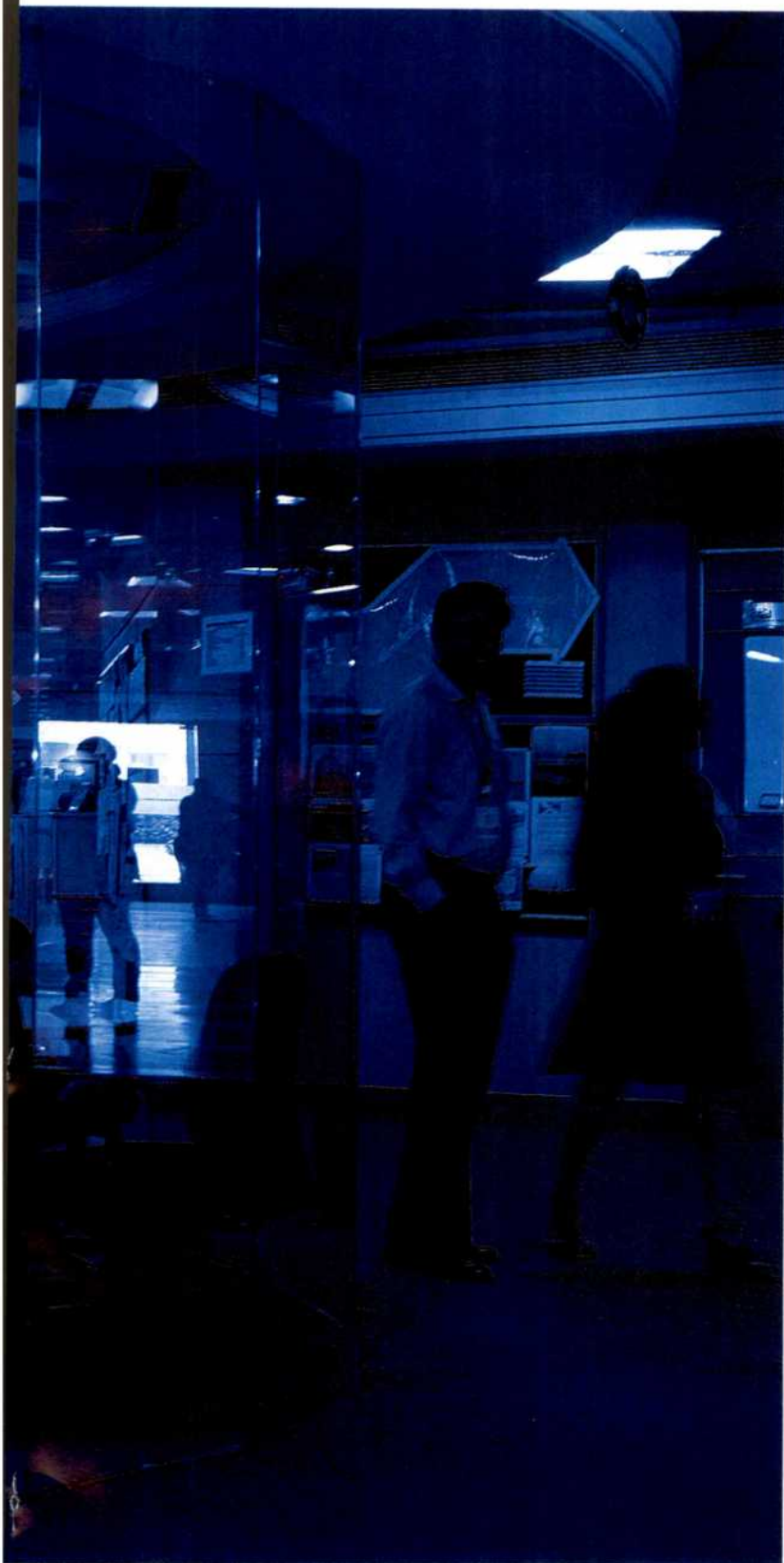
THE SECOND DECADE

BPO players chase expertise and trigger an acquisition tsunami. By SUNNY SEN

The business process outsourcing, or BPO, industry has been on a shopping spree in the last three to four months. Few deals match the \$550-million purchase of US-based Headstrong by Genpact, India's largest pure-play BPO company, for size. But Genpact's whopper is just one of many big-ticket acquisitions. Britain-based information technology (IT) and BPO firm Serco bought Mumbai-based Intelenet Global Services for \$634 million. Vertex, also a UK-based IT and BPO firm, bought Delhi's Shell Transource for an undis-



Genpact CEO N.V. 'Tiger' Tyagarajan at the company's Gurgaon office



VIVAN MERRA/www.indiatodayimages.com

closed amount. US-based EXL Service has made several tuck-in acquisitions over the past couple of years, the last being the \$91 million purchase of Outsource Partners International, or OPI.

So what does all this frantic buying mean? BPO industry leaders are acutely aware that the game is no longer simply about headcount. "Most of the acquisitions aim to increase expertise in certain domains," says Bill Hurber, Partner, Business Advisory Services at TPI, a global sourcing advisory firm. "Customers are looking for service providers who have global scale in certain verticals," he adds.

Genpact, for instance, had been eyeing the capital markets and investment banking space for a while. About 45 per cent of the company's revenues came from banking and financial services, so the capital market space seemed like a logical choice for expansion. However, this field requires an understanding of not only products such as derivatives, and services such as prime brokerage, but also the relevant technology. "One wrong transaction and you can lose billions of dollars," says Genpact's President and CEO N.V. Tyagarajan. He reckoned that his company could not build the capability on its own, so it looked for a company that already had it. The two-year search ended with the Headstrong purchase in April 2011.

Scale Up and Flourish

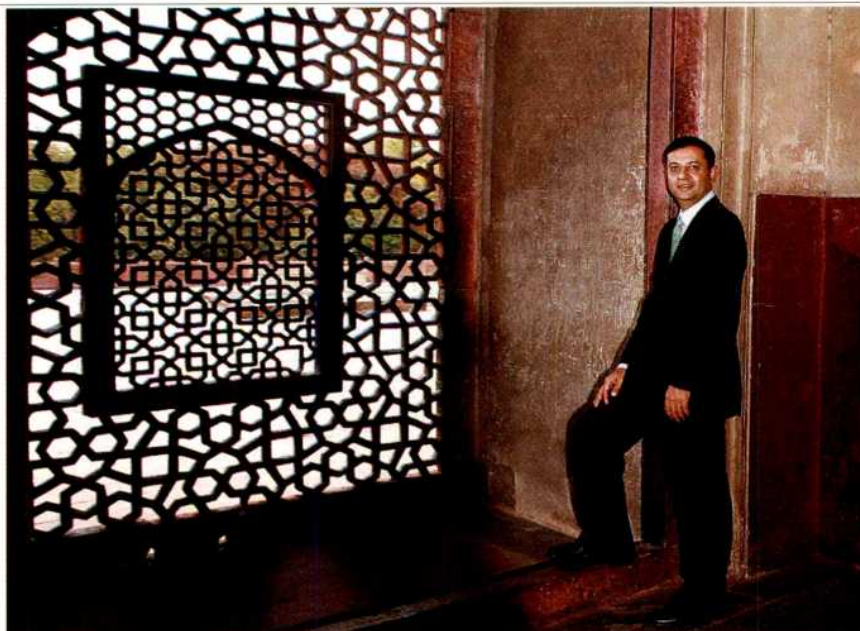
The \$17-billion BPO industry is at a cusp. It has stagnated after growing for a decade at a compound annual rate of 20 per cent. Most BPO firms are relatively small, with revenues below \$300 million. Valuations have fallen from their peaks in 2008, before the financial meltdown. Many companies have been unable to scale up.

But scaling up is key to success. Genpact's purchase of Headstrong will augment not only Genpact's \$1.26-billion revenues, but also its intellectual property. Similarly, OPI has

beefed up the finance and accounting strengths of EXL, whose revenues were \$253 million in 2010. It has also brought in 50 technology business analysts, facilities in Bulgaria and Malaysia, a strong front-end sales team in America, and 80 new clients. Analytics-based services have incremental margins of 20-30 per cent over traditional services such as voice-based customer support.

Peter Bendor-Samuel, CEO of the Everest Group, an outsourcing advisory firm, says that IT services have higher margins than back-office support operations, and that there is a "strong correlation" between the profitability and size of BPO firms. However, acquisition is not easy. BPO companies face tough competition, with IT players such as Tata Consultancy Services, HCL Technologies and Cognizant all on the prowl. TCS's purchase of Citigroup Global Services strengthened its travel BPO business. Chennai-based Cognizant bought UBS India's BPO division to build its strength in financial services.

India's fourth-largest IT major, HCL Technologies, has been hunting for BPOs for more than two years. Ask CEO Vineet Nayar if acquisition is the only way to expand his BPO business,



and he says: "No, not the only way, but it's one of the best." He says business process outsourcing will become HCL's fastest growing division in the next six quarters.

Many Shifts

As business models change, BPO customers are demanding so-called near-shore and on-shore delivery. As processes move from voice-based services to higher value back office services such as accounts payable, human resource management and end-to-end process automation, it is increasingly important for BPO firms

to locate some part of their services closer to the client. "If you want huge contracts, you should have a little bit of on-shore, a little bit of near-shore and a little bit of off-shore," says John Willmott, CEO of Nelsonhall, an international BPO analyst firm. Rohit Kapoor, President and CEO of EXL Service, says that the opportunity is four times as big for the BPO business as it is for IT, and that competition will get tougher between the two. "BPO firms are acquiring, consolidating, and building up capability, so that three years later, when we compete with IT play-

RISE IN TIDE

Growth slowed in 2009, but revenues are rising steadily



Pramod Bhasin proposes captive back office for General Electric in India

GECIS, a GE subsidiary, is formed



Sanjeev Agarwal and CDC Capital Partners form Daksh eServices

\$565 MN

Raman Roy quits GECIS to set up Spectramind. Customer Asset and 24/7 are set up in Bangalore



\$960 MN

Dotcom bubble bursts. Voice sees a major run. Indian BPO industry takes off

1995

1997

1998

1999

2000

2001

2002

2003

\$1.48 BN

"BPO firms are building capability, so that in three years, when we compete with IT players, we are well positioned"

Rohit Kapoor, CEO, EXL Services

SHEKHAR GHOSH

ers, we are well positioned," he says.

Another change is that, as private equity, or PE, companies exit their initial investments in the BPO sector, others are stepping in. Serco's purchase of Intelnet, for instance, came at a time when US-based PE firm Blackstone was looking to exit. Happily, Blackstone made two and a half times what it originally invested in 2007, by selling its 66.25 per cent stake in Intelnet. For Serco, it was perfect timing. "Serco had a gap in BPO, middle and back office," says Susir Kumar M., CEO and Managing Director of

Intelnet. His company has a huge domestic presence, and 25 per cent of its revenues come from customers such as Aircel, Barclays' India operations and Tata AIG. Thanks to the Serco deal, Intelnet has got an IT platform, a consulting practice, expansion in Europe and a strong front end. "It's a one-stop shop now, and that's what the market wants," says Kumar. Today, for Serco, 35 per cent of revenues come from India.

This trend of others stepping into PE investors' shoes is likely to rise. According to Paul Sweeny, CEO of Vertex, the PE industry will see much activity over the next couple of years. Vertex bought Shell Transource to get a foothold in the Indian market. Sweeny says India will be on a high-growth curve in outsourcing, as the US may have plateaued. "Indian companies are outsourcing five-year contracts, something unheard of in the BPO industry," he adds.

Valuation Hurdle

Timing is one thing, but high valuations have led to deals getting delayed. For example, WNS, which has been on the block for a while, is overpriced, according to analysts, some of who predict a deal by the year-end. "If there's a PE firm with a

controlling stake, you can be sure the sale will happen," says Bendor-Samuel of Everest. PE firm Warburg Pincus has a 50 per cent stake in WNS.

Keshav Muruges, CEO of WNS, is unflappable. He has plans for WNS to grow both geographically and in terms of domain expertise. In the past three years, the company has entered the Philippines, Romania and Costa Rica, and now has its sights set on China. Muruges says he wants to make WNS so valuable and expensive that no one buys it. "Shareholders buying or selling a stake do not change our working style," he says.

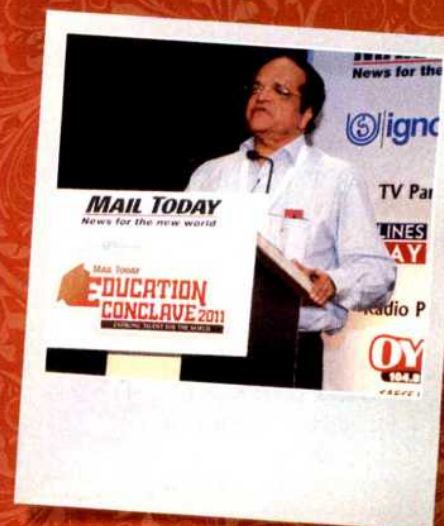
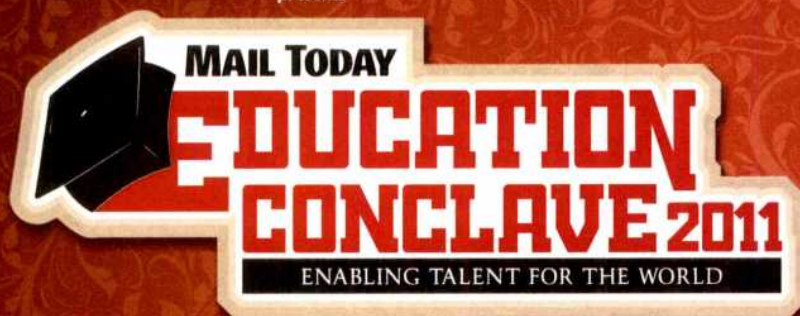
Vertex, too, did not leap into its purchase of Shell Transource. It formed a joint venture earlier this year, as a due diligence measure, so that if synergies matched, the acquisition would be completed.

With rising interest in the domestic market, BPO companies beefing up their domain expertise, and PE firms planning exits, the Indian BPO industry is hurtling towards its next phase, which will see bigger, fewer and more specialised providers, with expertise in two or three verticals for which they would provide end-to-end services. ♦



THOUSANDS OF CHILDREN

 **ignou** THE PEOPLE'S
UNIVERSITY
presents



Presented by

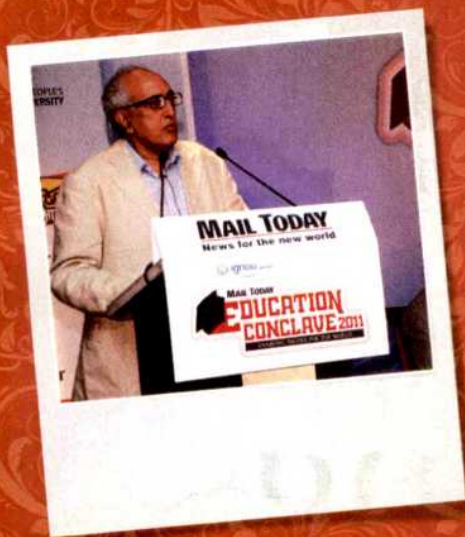


TV Partners



WE WILL THANK YOU IN THE FUTURE. ALLOW US TO DO SO NOW.

We'd like to offer a heartfelt vote of thanks to all our speakers, delegates and partners for making the Mail Today Education Conclave 2011 such a grand success. We couldn't have done it without you.

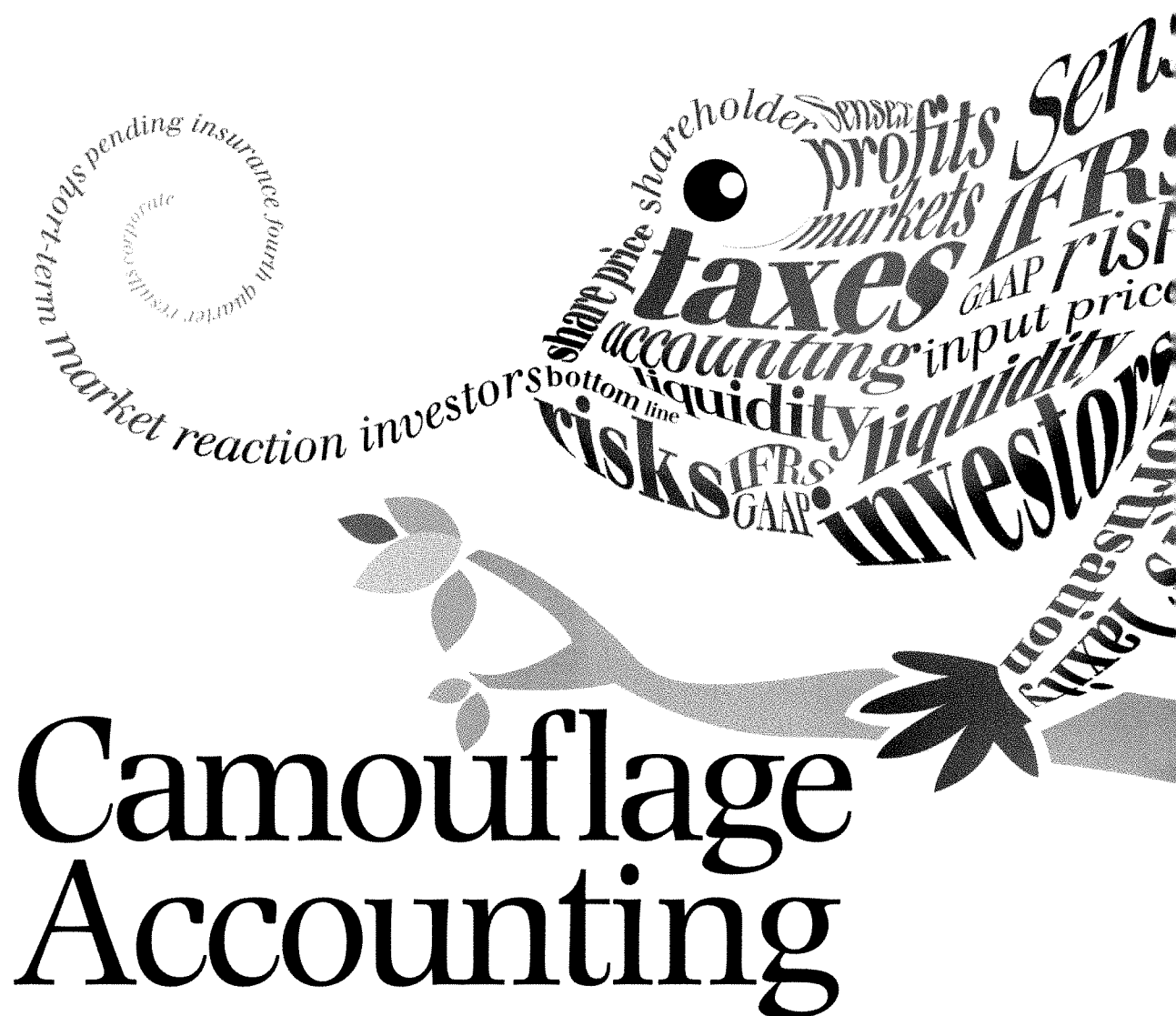


Radio Partner



Outdoor Partner





Camouflage Accounting

The rising number of auditors' qualifications points to India's deteriorating accounting standards. By ANAND ADHIKARI

In late 2010, the directors of Mumbai-based Bajaj Corp, part of the Shishir Bajaj Group, were pleased. Their company's ₹297-crore initial public offering, or IPO, had done well, and the board was eager to tackle bigger challenges, such as acquisition opportunities, that were among the objectives of the IPO. But first, they had to decide how to treat IPO expenses – a tidy ₹20 crore – in the account books. The decision was important, as it would affect profitability.

Bajaj Corp, a mid-sized hair oil company, had three options. The first was to charge the expenses to the share premium account, where almost ₹294 crore lay idle, in the balance sheet. This would have no effect on profitability. The second was to amortise them equally over five years, which would marginally affect the bottom line.

And the third – setting off the expenses against the current year's profits – would wipe out more than 20 per cent of the profits for 2010/11. Given the slowdown in the domestic economy and the sluggish stock market, the first option seemed the best. Bajaj Corp's stock, which debuted in August 2010 at ₹800 per share – the offer price was ₹665 – was already showing signs of weakness.

But Chairman Kushagra Nayan Bajaj voted for the third option. One of the directors voiced concern about how investors might react. Dilip Maloo, Chief Financial Officer and Vice President, Finance, explained that the third option would save on taxes and improve liquidity within the company. Amortisation would yield similar results, but over five years, he said. The directors unanimously agreed to Bajaj's proposal. Sure enough, investors



Puffed-up Profits

SUZLON ENERGY

AUDITORS' REMARKS: Change in process of consolidating revenue recognition for Suzlon and subsidiary, say auditors SNK & Co. and S.R. Batliboi & Co.

MANAGEMENT JUSTIFICATION: The nature and level of customisation of the contracts of REpower and Suzlon are different

BEST PRACTICE: The subsidiary's accounting practices should align with those of the parent



PANACEA BIOTEC

AUDITORS' QUALIFICATION: Capitalisation of expenditure on clinical trials, noted by auditors S. R. Batliboi & Co.

MANAGEMENT JUSTIFICATION: Products in trials will be commercially viable after they are registered abroad

BEST PRACTICE: The starting point for capitalisation of expenses is the application for product registration, and not the clinical trial. The success of clinical trials cannot be assessed in advance

DHUNSERI PETROCHEM & TEA

AUDITORS' QUALIFICATION: Recognising an insurance claim before it is approved by the insurer, say auditors Lovelock & Lewes

MANAGEMENT JUSTIFICATION: The claim is for a loss that insurance company has to compensate for

BEST PRACTICE: The claim should be considered only after the compensation is received



PUNJ LLOYD

AUDITORS' QUALIFICATION: Booking revenues in cases where money has not been received and is under dispute, says auditor Raj Agrawal for S.R. Batliboi & Co.

MANAGEMENT JUSTIFICATION: The company has started arbitration proceedings and is confident of a favourable judgement

BEST PRACTICE: Revenues should be booked only after they have been received

facturer, which had a ₹357-crore IPO about a month after Bajaj Corp's issue. Indosolar already had a policy in place to amortise preliminary expenses, of which a few crore rupees were still outstanding at the time of the IPO. But it suddenly changed the policy when accounting for the IPO expenses of ₹33.58 crore: it decided to charge them to its share premium account. That meant the total outstanding expenses, some ₹36.27 crore, would be set off on the balance sheet, and not in the profit-and-loss account, for 2010/11. The company was neck-deep in losses (₹57 crore in March 2011). The decision to charge IPO expenses to the share premium account prevented losses of a few more crores from going on the books. Indosolar refused to comment when *BT* asked about the change in its accounting policy.

Indosolar is a classic example of how companies play with accounting policies to their advantage. Chameleon-like policies make a company's accounts harder to understand, and confuse investors and shareholders.

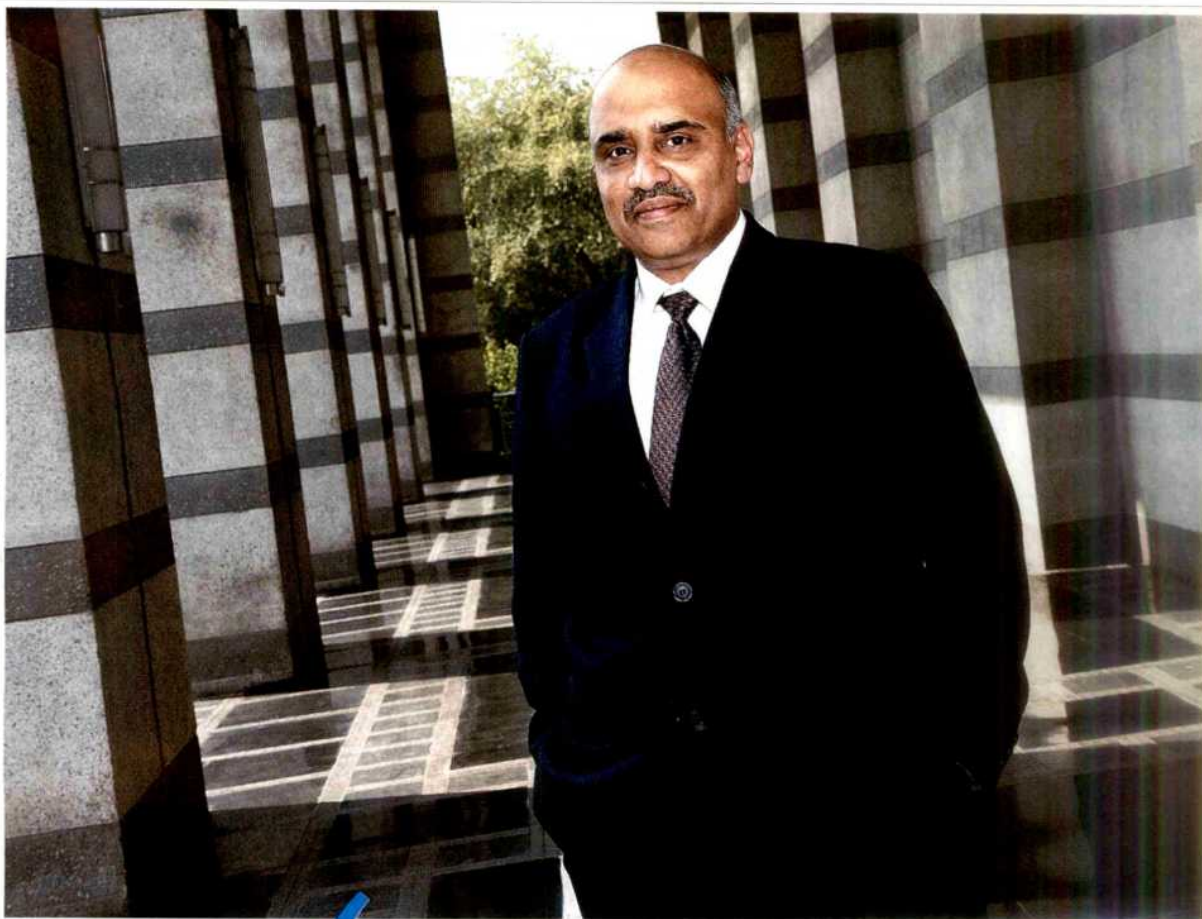
Wrong Message to Investors

In July this year, Veritas, a Toronto-based equity research firm, launched a scathing attack on mobile phone services provider Reliance Communications, in a report that said: "The company has inflated its EBITDA, EPS and book equity." It added that year-on-year comparability in most instances was compromised because of "whimsical accounting policy changes". Such accounting practices, if true, send the wrong message to global investors.

India will soon comply with International Financial Reporting Standards, or IFRS. This means companies here will adhere to the same accounting standards that much of the world follows. It will bring uniformity and greater transparency to Indian accounting, help attract investment into India and also help Indian companies raise money overseas.

"Global investors look for reliable information that will only come from using the best accounting standards," says Dolphy D'Souza, Partner at Ernst & Young India, or E&Y. "Local investors, too, want more reliable and transparent information."

The rising number of auditors' qualifications in accounts statements indicates the deteriorating state of Indian accounting standards (see *Puffed-up Profits*). In good times, high profits keep all stakeholders happy, and in bad times, accounting policy tweaks come to the rescue. Today's business environment is uncertain, because input prices are high, interest costs are ballooning and demand is slowing. Keeping profitability intact, then, is a challenge. Some companies are responding by passing up the best practices in favour of more convenient options under India's Generally



INDIAN STANDARDS ARE ROBUST, AND HAVE SERVED US WELL OVER THE YEARS, BUT WE NEED BETTER ENFORCEMENT

N. Venkatram, Partner, Deloitte Haskins & Sells

Accepted Accounting Principles, or GAAP. Strong corporate lobbying against the IFRS has already pushed back India's April 2011 deadline for convergence with global standards to an indefinite date.

The investing community is, of course, pushing for IFRS implementation. However, N. Venkatram, Partner at Deloitte Haskins & Sells, points out that "many advanced nations, such as the United States and Japan, have also not moved to IFRS". Some African countries have not done so, either. But about 100 countries have adopted these standards, and India can ignore them only at its peril. "If we delay, we will miss out on the economic advantage," says D'Souza of E&Y.

India has decided to converge with IFRS, which means it will make some changes in the standards, rather than adopt them wholesale (see *The Pros and Cons of IFRS*). Convergence will have a major impact on many accounting standards, such as revenue recognition, capitalisation of expenses, fair value and acquisition accounting.

In particular, stringent revenue recognition norms could give many mid-sized companies a headache. Under the Indian GAAP, revenue for the sale of goods is recog-

nised based on the company transferring significant risk to buyers. In other words, a company only has to dispatch the goods to account for the revenue. But under IFRS, revenue recognition is based on the actual delivery of goods to the customer. In the case of construction contracts or large engineering goods, revenue is recognised based on the stage of completion, which is marked by milestones. Companies adopt different milestones for revenue recognition, depending on the nature of contract and the degree of customisation.

Take the case of Suzlon Energy, Asia's third-largest wind turbine maker. For the financial year 2010/11, Suzlon decided not to align the revenue recognition policy of its overseas subsidiary, REpower, with its own, although it had been doing so earlier under the Indian GAAP. Suzlon has been facing rough weather since 2008, because of the global recession and concerns over the quality of its turbine blades. "REpower's revenues were earlier computed by applying Suzlon's milestones for revenue recognition," says Suzlon's Chief Financial Officer Robin Banerjee. The company says the nature and level of customisation of the contracts of REpower and

Suzlon are different, and maintains that there is no change in the group's revenue recognition policy. "The change is in the process of consolidation of revenues," explains Banerjee. The result of this consolidation is that Suzlon's revenue for 2010/11 is higher by ₹974 crore, and net profit by ₹109.57 crore. So Suzlon's first glimmer of good news in a while came in 2010/11 – but with remarks from the auditors, SNK & Co. and S.R. Batliboi & Co.

Under IFRS, companies will have to follow the same

capitalise research expenses even before clinical trials are over. When capitalised, expenditure goes directly on the assets side of the balance sheet, with no impact on the profit-and-loss account. If it is not capitalised, it appears on the profit-and-loss account and lowers profits.

Biotechnology firm Panacea Biotec is a case in point. Auditors S.R. Batliboi have inserted a qualification with regard to capitalisation of expenditure on clinical trials, which added up to nearly ₹60 crore for 2010/11. The management justifies it by saying it is confident that the products in trials will be commercially viable.

Analysts Uneasy

Besides investors, analysts, too, are concerned. In May this year, analysts grilled the top management of Delhi-based infrastructure and energy conglomerate Punj Lloyd, including Chairman Atul Punj, because there have been auditors' qualifications in its accounts every year since its December 2005 IPO. One analyst asks: "Why don't we see similar auditors' qualifications in the annual reports of Larsen & Toubro, Gammon India, Hindustan Construction or IVRCL? Is the company's accounting treatment too aggressive?" Punj Lloyd defends itself by saying it has a good track record of receiving disputed claims through arbitration. "We have never lost a case, barring maybe a couple of cases related to tax," said Luv Chhabra, Director, Corporate Affairs, Punj Lloyd. He cites the example of a case pertaining to Pipavav Shipyard, in which the auditors' qualification was dropped.

Repeated auditors' qualifications point to the larger issue of corporate governance, and the sustainability of the business in the long term. But is it fair to fault accounting standards? "Existing Indian standards are robust, and have served us well over the years," says



IF WE DELAY IMPLEMENTATION OF INTERNATIONAL ACCOUNTING STANDARDS, WE WILL MISS OUT ON THE ECONOMIC ADVANTAGE

Dolphy D'Souza, Partner, Ernst & Young India

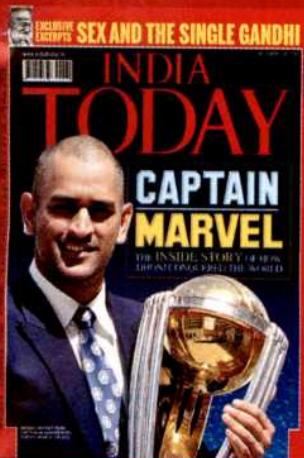
revenue recognition policy for the parent and subsidiaries. Differential accounting treatment under the Indian GAAP leaves substantial room for subjectivity, and gives companies the licence to twist accounting policies to suit their convenience.

Another example of questionable accounting practices is the way in which some pharmaceutical companies treat research expenses. Under both the Indian GAAP and IFRS, research expenses are capitalised only after the company is certain that the new drug is ready for the market, and after it applies for the approval of the drug regulatory authority. And yet, many Indian companies

Deloitte's Venkatram.

The laxity of independent directors can also enable creative accounting. Consider the case of Kolkata-based Dhunseri Petrochem & Tea. In March this year, a fire broke out at the raw material storage facility at the company's plant in Haldia, West Bengal, disrupting operations, and causing the loss of inventory, fixed assets and production. Dhunseri filed an insurance claim for ₹65 crore, and wanted to include this amount under 'other income' for the financial year ending March 31, 2011.

Dhunseri's auditors Lovelock & Lewes insisted on a qualification, because the amount that would be approved by the insurance company was not received. The



INDIA TODAY

From politics to business, education to entertainment, religion to regions—we have our finger on the pulse of every important issue. Known for its cutting-edge coverage and razor sharp analysis of national and international events, INDIA TODAY delivers the world to your doorstep every week.

INDIA TODAY,
your weekly window into the world!

SUBSCRIBE TO INDIA'S NUMBER 1 NEWS & CURRENT AFFAIRS MAGAZINE

Get fabulous free gifts with
your subscription!



Fly Mobile Phone
worth ₹. 3960 with
5 Years Subscription



**BEST
OFFER**



Set of 2 Benetton T-shirts
worth ₹. 998 with
3 Years Subscription



Reebok Wallet
worth ₹. 799 with
1 Year Subscription



To subscribe, you may also
sms ITE to 52424,
Call us on Toll Free No.
18001800100 and (0120) 2479900
E-mail: wecare@indiatoday.com or
Log on to
www.indiatoday.in/subscribe

Yes! I wish to subscribe to my favourite magazine.

Please tick your subscription choice and send the form to: We Care, India Today, A-61, Sector 57, Noida - 201301, (U.P.), India

INDIA
TODAY
Making Sense of India

TICK	TERM	NO. OF ISSUES	COVER PRICE (₹.)	YOU PAY (₹.)	BENEFITS	
☐	5	260	7800	5100	Save 35% on MRP + Free Fly mobile phone worth ₹. 3960/-	☒ BEST OFFER
☐	3	156	4680	3700	Save 21% on MRP + Free set of 2 Benetton T-shirts worth ₹. 998/-	
☐	1	52	1560	1400	Save 10% on MRP + Free Reebok wallet worth ₹. 799/-	

Please fill the form in CAPITAL LETTERS

I am enclosing Cheque/DD No.: _____ dated: _____ drawn on (specify bank): _____

I am availing INDIA TODAY for ₹. _____ (Add ₹. 10/- for non Delhi cheques)

Or Please charge my Credit Card ☐  ☐  ☐  Card No.

Card Member's Name Card Expiry Date: M _____ Y _____

Card Member's Signature: _____ Date of Birth: D _____ M _____ Y _____

Name: _____ Address: _____

City: _____ State: _____ Pin: _____

h (Res.): _____ Mobile: _____ Email: _____

The Pros and Cons of IFRS

India was supposed to implement International Financial Reporting Standards, or IFRS, by April 2011. It has deferred this indefinitely, and insisted on many modifications to the standards – accounting boffins call them ‘carve-outs’ – as they relate to areas such as agriculture, real estate, financial instruments and goodwill. It makes sense to adapt IFRS to the realities of a particular country, but a large number of carve-outs defeats the purpose of global standards.

An example of necessary tweaking is China’s decision to modify the IFRS on ‘related party transactions’ to reflect state ownership of many companies on the mainland. The ‘related party’ clause will not necessarily apply to Chinese companies. But in India’s case, the European Commission, an executive body of the European Union, has warned that the country risks “creating a country-specific version of the IFRS that differs from those used worldwide”.

Among those who defend India’s right to choose its own accounting standards is N. Venkatram, Partner at Deloitte Haskins & Sells, a global consulting firm. “Every government has a responsibility towards its own economy,” he says. He cites the example of India’s conservative standards for banking, saying they ensured the sector was rock-steady when the global downturn traumatised the industry worldwide.

Dolphy D’Souza, Partner, Ernst & Young India, has a different view. “The initial modification may be a starting point, but ultimately, the market reality will bind India to adopt IFRS in totality,” he says. Many accountants and analysts agree that the main concern that global standards seek to address is clarity in accounting, so that companies do not take investors for a ride. Where there is scope for differing interpretations, they say, the standards tend to be principle-based. IFRS may not be able to put a definitive end to accounting jugglery and auditors’ qualifications. However, D’Souza says: “Given that many countries have already adopted IFRS, ambiguity and the scope for multiple interpretations are substantially reduced.”

claim remained unsettled beyond the end of the financial year. But Dhunseri’s audit committee, which included the independent directors and Executive Chairman C.K. Dhanuka, insisted the money be shown as other income for 2010/11, on the grounds that other companies had done similar things before. Another reason given was that if the insurance claim were not shown as income, profits for 2010/11 would be depressed, and the next year’s profits would be inflated. By accounting for the unrealised claim in 2010/11, Dhunseri increased its other income from ₹81 crore to ₹146 crore, and its profits, from ₹76 crore to ₹127 crore.

With regard to insurance claims, there is again an element of subjectivity under both the Indian GAAP and IFRS. In a case like Dhunseri’s, if certainty levels are high, the insurance claim should be immediately recognised. If they are not high, it should not be recognised.

Global Implications

In an age when Indian corporations run global companies, accounting practices should be conservative rather than aggressive when there is an element of uncertainty. Bharti Airtel, Infosys and Wipro are among the few Indian companies which voluntarily follow global financial reporting standards.

“Nothing stops Indian companies from adopting IFRS on their consolidated accounts,” says D’Souza of E&Y. The Securities and Exchange Board of India, or SEBI, allows listed companies with subsidiaries to publish consolidated financial results in accordance with IFRS. But apart from information technology companies, few others do so.

“IFRS is more relevant to companies which have international operations, or who wish to raise capital overseas,” says Venkatram of Deloitte. There is no dearth of such companies in India.

A bad accounting policy can devastate a company, as the cases of Enron, WorldCom, Tyco International and AIG have shown. Regulators are becoming more proactive. For example, SEBI quietly did investors a favour last month by making it mandatory for listed companies to announce fourth quarter results along with audited annual results. Some companies had been conveniently filing only annual results, and not fourth quarter results – an unhealthy practice that makes it harder for investors to gauge quarter-to-quarter performance.

Accounting standards are like signs on a long highway – the driver has to make the right judgment. Venkatram argues for maturity in disclosure standards. “We need better enforcement,” he says. Independent directors, market regulators and other stakeholders – especially domestic and foreign institutional investors – need to be vigilant and challenge promoters if they stray from the road. Satyam Computers became India’s first information technology company to adopt IFRS, way back in 2008. History has shown that it was not enough. ♦

MICRO FINANCE

The way ahead

It is a greater challenge than any to alleviate poverty - promoting sustainable livelihoods particularly among the rural poor and women by providing financial services and technical help in an integrated manner. Inducing such a change is possible only through focused development economics that perceives alleviation of poverty not as efficient delivery of handouts and doles but helping poor investors create micro finance entities to get a competitive rate of return for the money that they put in so as to be able to access mainstream capital and human resources on a continuous basis.

This paradigm shift in extending micro - credit that leads to inclusive growth is spawned by micro finance initiatives which were mooted as supplementary credit delivery networks centered around two models - the Self Help Group (SHG) Bank linkage programme and the Micro Finance Institutions (MFIs). These initiatives, which were started as an outreach programme, aimed to promote thrift and credit has made immense contribution towards empowerment of rural women.

The tested model of the earliest MFIs made it easier to replicate the same in Andhra Pradesh. With standard working procedures already established by institutions like SHARE way back in 1991, there was a general acceptance to the workability of the model. As such the end of decade saw emergence of companies like SKS (1998) and Spandana Sphoorty (1999) in the state. In the past four years, SHARE together with its sister organisation Asmitha Microfin Limited, has expanded from a little under one million clients to reach more than five million. As of October 2010, the combined organisation had an outstanding loan portfolio of Rs.4,890 crore and over 13,200 employees working in around 65,950 villages in India.

Study conducted by EDA Rural System for SIDBI on 44 MFIs suggested that microfinance not only enhanced the

choices available to poor but also helped develop strategies for coping the economic vagaries. The study also confirmed that there was definite impact of microfinance on alleviating the poverty and reducing the dependence of poor on money-lenders. A similar study conducted on SHARE by Institute of Development Studies (IDS) in the United Kingdom in association with three Universities in the UK - Bath, Sheffield and Sussex indicated that 3 out of 4 of its clients witnessed significant reduction in poverty.



M. Udaia Kumar
Managing Director
Share Microfin Limited

The impact of microfinance goes beyond business loans and enterprise investments. Microfinance initiatives offer more than just material benefits: they can also address issues associated with "non-material" poverty, which includes social and psychological effects that prevent people from realizing their potential. Reports indicate that microfinance has brought changes into the lifestyle of the poor in terms of their opportunity to acquire assets, reduce dependency on moneylenders and in some cases to accumulate personal savings. The poor also learn to invest in health and education, and to meet the wide variety of

other cash needs that they encounter.

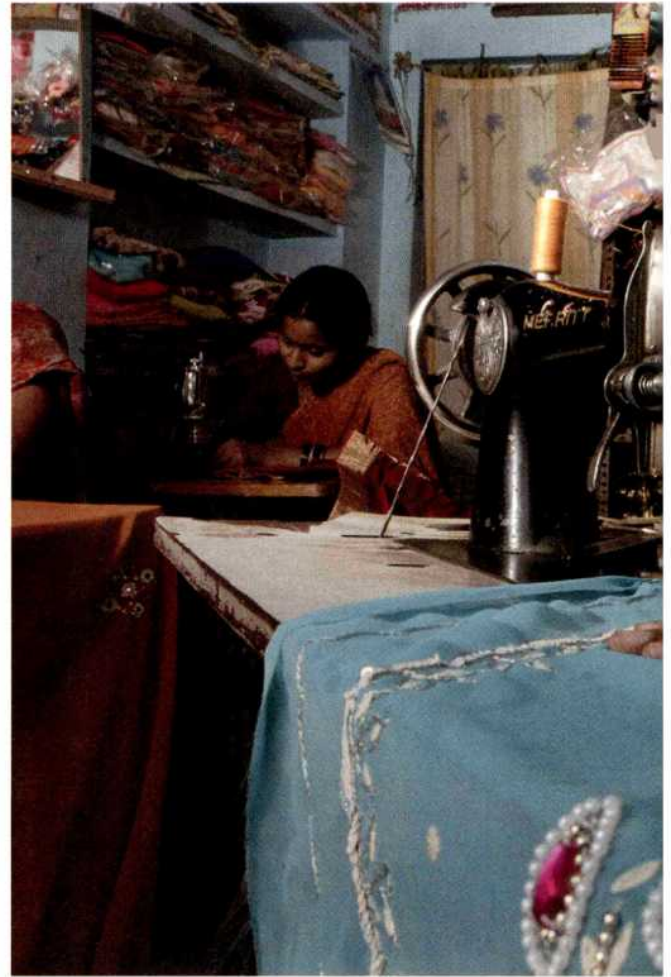
Yet, there is a yawning gap in the demand and supply of credit to the poor. The flow is much below requirements. The Reserve Bank of India estimates that the credit support for poor households in India is of the order of Rs.450, 000 crore. Some micro level studies show that the poor still continue to depend on informal sources of credit, including the usurious village moneylender, to meet up to 60 per cent of the household demand.

In this backdrop, Microfinance stands as the proven tool to successfully reach out to these millions. However, recently, the microfinance activities have been severely crippled due to restrictions imposed by regulations imposed in Andhra Pradesh in 2010. Govt. of A.P. passed

AP-MFI ordinance on 15th Oct. 2010 which was subsequently enacted by the Legislative Assembly. The Ordinance has seriously damaged the credit discipline, and has adversely affected collections in the field.

Excessive high pricing during the first IPO by an Indian Microfinance company was the turning point which created a profiteering image of MFIs. Further, over-lending and excessive indebtedness of the client, partly the blame for which banks should also bear in their lending strategy to multiple institutions, played a critical role as well.

The MFI model, which helps in building more mature level of enterprise and livelihood diversification, is comparatively costlier in delivery of financial services because of the low volume and size of the loan. The smaller loan amounts sanctioned by MFIs translate into millions of weekly/monthly cash transactions in the remotest corners of the country, and creation of an immense database. The maintenance of such an elaborate structure brings about a need for greater human resources with an escalation of administrative expenses, said Dr. Vidya Sravanthi, MD, Asmitha. Is there any other plausible existing model which is just as sustainable (if not more) which can be adopted as



Pioneering sustainable microfinance

Few institutions can rival SHARE Microfin Limited (SHARE), a regulated Non – Banking Financial Company (NBFC) which is committed to creating opportunities at the bottom of the pyramid, especially the urban and rural women.

Although, the recent microfinance crisis has not left SHARE unhurt as it is also one of the institutions undergoing debt recast. "Our strong fundamentals have so long enabled SHARE to run the microfinance activities in a sustainable way and have justifiable pride in our role as an agent of change and social transformation," says its founder Mr. Udaia Kumar. "Reminiscing his old days when he started operations in 3 different agro climatic zones of AP and slowly, over two decades, brought SHARE to current shape

and size, Udaia says: "Things have turned abruptly bad for Indian Microfinance sector but not all is lost; the draft Microfinance Institutions bill is a ray of hope but what is more important is timing of its implementation; in deed, justice delayed is justice denied"





a scalable alternative? The answer is unfortunately negative.

The Act brought in such restrictions which have completely restricted the operations of AP based MFIs. Measures like Registration at DRDA at district level, Permission(NOC) from the Govt. for every loan sanction to an SHG borrower, restrictions on even meeting the client has brought the AP based operations to a complete halt.

The passage of the Ordinance has significantly influenced the perceptions of Bankers, Regulators, Investors, Raters (and global media) of risks in India, and in private sector involvement in services to the unbanked, which are all not good for India, or for Financial Inclusion agenda of Central government.

The repercussions of the act have been catastrophic on the Microfinance industry. The repayment rate of most of the MFIs has fallen down from 99.9% to almost 10% in the state of AP. Since the MFIs are now tied up with Credit Bureaus like High Mark, the downfall in repayments has thrown millions of borrowers into defaulters list among the credit bureaus and credit informative system with various banks and FIs. This will have a serious impact on the individual credit history of the borrowers and their

Microfinance initiatives offer more than just material benefits - the impact goes beyond business loans and enterprise investments. It helps people realize their potential which is much more inherent than changing lifestyle and alleviation of poverty.



The Path Finder

Asmitha Microfin Limited (Asmitha) is a Non-Banking Financial Company with the prime objective to provide access to and facilitate availability of financial resources to poor women, mainly in rural areas as seed capital for income generation and improving their standard of living.

Several distinguished awards have also come its way. Asmitha is the proud recipient of the FAPCCI Award for "Outstanding Contribution for welfare of Society/ Economically/ Physically Challenged destitute women Award" – the Smt. Jamunadevi Tibrewala Cash Award instituted by the Omprakash Tibrewala Foundation, Hyderabad. Asmitha received this award for its outstanding services in the field of Microfinance to empower the rural disadvantaged women.



future borrowings. Further, the resulting crisis is affecting the industry throughout India, because banks stopped fresh lending to MFIs across India and companies are collecting debts in other states to pay off their banks without re-lending to borrowers. Large scale piling of the debt and the inability to pay the same has led 6 big MFIs, all AP based, to go for debt recast scheme. With the proposed corporate debt restructuring by banks to bail out MFIs from defaulting, the credit ratings sinking to bottom, microfinance doesn't remain the safest asset class as perceived during last decade. In AP, operations have completely stopped and with no alternative to the Borrowers, moneylenders have become ever more prominent. The human capital seems fleeing away and the credibility of the entire sector has taken a dip.

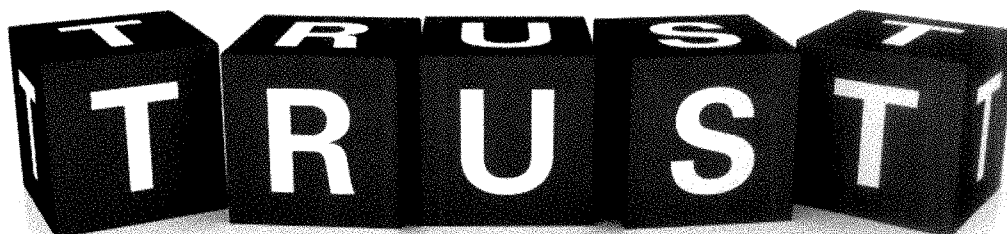
MFIs are rethinking on their business model and given their resilience are finding a way out of the crisis. Some in Andhra Pradesh have tied up with Credit Bureaus like High Mark and Equifax for getting the credit history of the rural micro borrowers. The tie-up will usher in a new era where even a micro-client is

evaluated on several credit parameters and a track is kept on issues like multiple lending, over-indebtedness, defaults, credit scoring and the like. Moreover, diversification into new product segments like selling security based gold loans and providing for such services like retail sale of mobile phones have emerged as opportunities for consolidating operations. With it the micro finance industry will see reduction in over – indebtedness and multiple lending. MFIs are also paying more attention towards pursuing a stronger risk preparedness and control practices. But that is not enough. A conducive policy and environment recognizing micro lenders as an extended arm of the existing banking industry is essential. As a silver lining, last few months have definitely seen due recognition to the valuable work done by the MFIs. The Malegam Committee report has legitimized microfinance and has emphasized on its importance in the financial inclusion agenda. The Economic Survey report and Budget 2011 have gone a step further in bringing out the necessity of microfinance in the Indian context.



Latest development has been the Microfinance Institutions (Development & Regulations) bill (draft) which clearly distinguishes MFIs from Money-lending institutions and sees them as 'extended arm of the bank'. Our current understanding is that the earliest that Parliamentary debate of the MFI Bill is likely to take place is at the Winter Session in December 2011. At this juncture, time is of the essence; the parliamentary winter session will come too late for many systemically important MFIs with a large exposure to Andhra Pradesh, said Dr.Vidya Sravanthi, MD, Asmitha Microfin limited. A complete shutdown of the microfinance sector will penalize its beneficiaries more than a handful of corrupt players. Still, it is high time that the theoretical recommendations are put into practice and concrete steps are taken, to allow MFIs reach to their clients and restart the work.





Trust (tr^ust): *n.* firm reliance on the integrity, strength, ability, surety, etc., of a person or thing; confidence

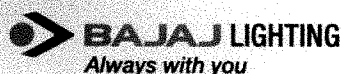
Reader's Digest celebrates such trust of consumers for brands which have exemplified the true meaning of trust through their commitment, conviction and consistency. Brands which have exceeded consumer expectations.



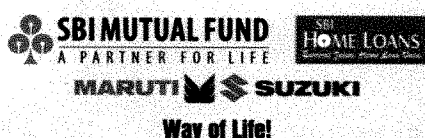
Congratulations
to all the Reader's Digest
Trusted Brand 2011 Winners!

For complete list of winners, please visit www.readersdigest.co.in

Presented by



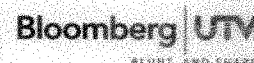
Associate sponsors



Powered by



Television Partner



L_{AST} B_{UT} N_{OT} L_{EAST}

PERSONAL TECH **159** SMART EXECUTIVE **164** PEOPLEBUSINESS **170**

Cooling Virtual Temperers

From poetry to personal attacks, social networking professionals face it all to promote brands, say Dearton Thomas Hector and Manasi Mithel

Plugged in: Digitas India's Vikram Alva (fourth from left) with his team

Car died while on the road? Call dropped? Food served on your flight tasted like cardboard? Go ahead and complain on Facebook or Twitter. Increasingly, customers are turning to social media platforms to make companies accountable for lapses in service.

In turn, many companies have hired special handlers to respond to irate online messages. "Social media matters now, thanks to the increasing number of people on Facebook and Twitter and the rising volume of their conversations," says Rajesh Lalwani, Founder of Blogworks, a Delhi-based social media consultancy, whose clients include Samsung, Madura Garments. Companies are spending more and more of their marketing budgets on digital media, sometimes as much as 10 per cent, he says.

It is estimated that the total digital spend by Indian companies is over ₹2,000 crore, and about half of that is on social networking sites. "Our spending on online activities has doubled this year and social media is an integral part of it," says Mohit Beotra, Head of Brand and Media, Bharti Airtel.

For the professionals hired to handle feedback from social networks, a day in the office means wading through streams of online abuse, weathering occasional impromptu marriage proposals and even praising customers' doggerel. "It is all about having a dialogue with your customer," says Deeptie Sethi, Head of Communications, Ford India. "Handling social media accounts is like nurturing your baby."

Sethi played a key role in the launch of two major Ford India online campaigns in the last two years. One of them, a Facebook page dedicated to the new Ford Fiesta, garnered 139,960 "likes". It had a video link that, when clicked upon, sent viewers to a web site

that showcased the experiences of four drivers taking the wheel of a Fiesta.

Unlike in traditional advertising, where target customers can only flip past print advertisements or sit through television commercials, social media allows people to grade brands and advertisements by clicking the "like" button if they want to. If they "like" a page, the decision is broadcast to all their friends, expanding the brand's reach.

Sumana Samuk, 24, is a senior content associate for social media with Bangalore-based digital marketing firm, i-Vista Digital Solutions, which handles Twitter and Facebook for SpiceJet, the low-cost airline company. Working in an emerging field like social media marketing is a welcome challenge, she says. Her team manages to respond to 99 per cent of the tweets and wall posts SpiceJet receives. That does not mean they respond to everything. "We once got a tweet saying that seats on Kingfisher were better than those on SpiceJet. We logged this complaint but we didn't respond to it," Samuk says.

"For every complaint we have a set process," says Blogworks's Lalwani. "We try to anticipate every possible reaction and keep a process ready. It is not enough to merely reply to a complaint on a social networking site. For us, the problem does not end until a solution is found. To do that you need to have the right mechanism." Airtel's social networking team always gives complaining customers a timeframe by which the company will revert.

The social media marketer's task is a demanding one. Apart from developing a thick skin, it requires being constantly plugged into the web. Samuk's team works 24x7. "There are two people who work in round-the-clock shifts to man-

A sample of recent tweets SpiceJet social marketers have dealt with



spiritualkid

@flyspicejet you guys suck. you cancelled your flight and spoiled my whole trip frm Mumbai to Coimbatore. Fail# Thirdclass# Worst
August 1

Paulthottam

Seats on Spicejet planes are filthy, torn and arm-rests all duct-taped. Yuk! Going DEL-NGP (22.07.11). PLZ DGCA help.
July 22

Vishal Dahiya just wanted to tell you that the admin of this page is truly very friendly and take care of all the members:). we love u admin!!
July 1
Like

Tweeting updates: Clemens Ollmert (second from left) Head of Marketing, Audi India, with his social media team

age the traffic on our system. After an 11-hour shift, I leave the office by 7.30 p.m. I log on again once I reach home," she says.

A journalism graduate from Mount Carmel, Bangalore, Samuk tries to blend her writing skills with her passion for online media. "I have spent five to six years in the online space indexing web sites on Google, working on creating web sites and so forth. But social networking works in real time and this excites me," she says.

Vikram Alva, Senior Vice President at digital marketing firm Digitas India, studied engineering and then pursued an MBA before turning to social media because, he says, it allows him to be creative. "Social media allows brands to interact with consumers who are actively seeking out brand experiences," he says. Digitas India handles the Airtel soccer account, which has received 400,000 "likes" so far.

Companies are getting increasingly innovative. When Audi India held its golf tournament for the Audi

Quattro Cup earlier this year, says Clemens Ollmert, Head of Marketing, it provided live tweets of the contest on Twitter. And while Facebook and Twitter are the most popular choices for companies, some have gone beyond. The first company to use LinkedIn in India, for instance, was Volkswagen, which released a series of advertisements on the site that had LinkedIn members endorsing their favourite Volkswagen model.

Lalwani feels marketers should look beyond Facebook and Twitter. "Social media is about handling real businesses," he says. "It is about fac-

ing challenges in this space and coming up with different business goals to engage the brand's stakeholders."

Sometimes customers can get a little too attached to the person responding to their messages. Samuk says a customer once proposed to a SpiceJet air hostess over Twitter, and some customers have referred to Samuk as "sweet". Others have sent her poetry. "At times, people get so possessive about a brand they come to the brand's defence when someone else criticises it," she adds.

The direct communication that Facebook and Twitter make possible is slowly changing the way brands relate to consumers, particularly young, tech-savvy ones. "In an era of greater transparency and authenticity, we will see social media gradually delivering a new standard of interaction," says Alva.

The people managing social media will be at the forefront of the shift. How do they stay ahead of the curve? By being avid consumers of social media themselves. The first thing Samuk does when she gets home is check out her own Facebook account. Despite answering queries and braving retorts throughout the day, nothing can stop her from getting back into the virtual world. She maintains she can never have enough of it. ♦



RACHIT GOSWAMI



24x7 effort: Sumana Samuk, i-Vista Digital Solutions

DEEPAK G. PAWAR



Time to Go HD

Should you switch to high-definition broadcast? Absolutely

You may have noticed a flurry of advertisements of late on television for high-definition, or HD, services. Many direct-to-home, or DTH, satellite television providers have introduced them. This has led to debates on what really constitutes HD, what is upscaling and whether the additional investment in buying an HD-capable DTH box is worth it.

Let me answer the last question first. If you have already spent ₹50,000-plus on an HD-capable flat panel display, do not wait to think, just get yourself a HD box. Why? The advertisements for HD you see on standard-definition TV sets do not remotely bring out how much better the quality of HD imagery is. And, no, the super slow-motion video displayed in the advertisements are not 'HD' either.

But if you do not have an HD-capable TV, is it worth switching to one now? Actually, given the wide choice of channels being broadcast in HD, there is a good case for buying a new HDTV, rather than up-scaling a standard-definition TV. Not only are sports and movie channels broadcasting in HD, general entertainment channels from a host of broadcasters are also doing so.

Besides, the prices of HDTVs, both liquid crystal display, or LCD, and plasma sets have come down significantly over the past few years. At the same time, their quality has improved immensely. In fact, while three dimensional, or 3D, content is far from

perfect, several HD displays today are capable of receiving 3D broadcasts. A standard 40-inch entry-level full-HD display from a reputed manufacturer will cost no more than ₹50,000. If you choose to buy an ultra-thin LED TV which can show you 3D images, prices start at ₹75,000 – steep, but barely a fraction of what HD displays cost less than a decade ago.

Finally, the first question. There

Is it duping the consumer? Well, an 'upscaled' video, while far superior to standard-definition, is still not true-HD, and marketing it as HD is wrong. Proper HD is captured on HD cameras and broadcast in HD.

So what is high definition? An HD broadcast is one that is transmitted with 1,080 vertical lines (from top to bottom) of resolution. The transmission comes in two varieties – interlaced and progressive, denoted by 'i' and 'p' respectively. Without getting into too many details, a full-HD broadcast is usually in 1080i.

Standard-definition broadcasts in India have 576 lines of vertical resolution. There is an in-between standard called HD-ready, where the broadcasting is managed with 720 lines of vertical resolution. This used to be popular when full HDTV sets were very expensive, and a lot of content, especially online, was still in 720p.

Unfortunately, the Internet protocol TV, or IPTV, service that I subscribe to, does not have HD. So for big sporting events on TV that are broadcast in

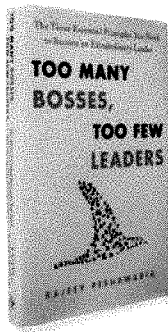
HD, I end up at friends' homes. Which is puzzling because, from a technological standpoint, HD services should be easier to serve over IPTV; but my service provider has so far decided against it. I am told that is about to change. However, if you are yet to join the HD brigade, you are at serious risk of falling behind the curve and becoming a technological outcast. ♦



are still a few thorny areas around HD. The first is what some people call cheating, that is, mere 'upsampling' of the image quality. While 'cheating' is a strong word, upscaling is not a new phenomenon. It involves taking a standard-definition image and 'improving' it by running it through a software programme. Most computer video-players do this.

No, Boss, You Are Not a Leader

Rajeev Peshawaria goes to the core of the leadership issue, says Somnath Dasgupta



**Too Many Bosses,
Too Few Leaders**

By Rajeev Peshawaria
Publisher: Free Press/Simon & Schuster
Pages: 222
Price: ₹475

Think very carefully before you decide you want to be a leader, because it is not a glamorous role, it is not about power. These are hardly words that would attract hordes of paying students. But it is what Rajeev Peshawaria believes. The core of this book – by a man who found his calling after 10 years of being a currency trader and a trainer – is that leadership cannot be learnt in a classroom, but comes from “deep energy”

created by clarity of purpose and values.

Peshawaria is a guru in the true sense of the term. He does not ‘teach’ using case studies, formulas or theories. He guides his readers along a path of self-discovery: whether you finally graduate from a boss into a leader is mostly up to you.

So I ask Peshawaria, who was in India recently to launch his book: why write a book if he does not believe in formulas and theories? He says the book is not intended as a classroom training programme, but was written to make people realise that formulas do not work.

Then Peshawaria springs a surprise. His biggest hero is not some alpha male with a bone-crushing handshake, but Mahatma Gandhi. “When Mahatma Gandhi was beaten up and put in jail, how did he re-energise himself and come up even stronger every time? He closed his eyes and imagined

a free India... That energised him again,” he says. “His purpose was very clear. He closed his eyes, and asked himself, what are my values? And he knew he should not hit back even when he was being beaten up.”

As I write this, India is being roused to a battle against corruption by Anna Hazare, a man who seems to have similar clarity of purpose and values.

Peshawaria was not a born leader, neither at school nor during his early career. After an MBA from Vienna, he came back to India to work for American Express in the 1980s, as a currency trader. Here he observed that when eight people with very high IQs are put together, the collective IQ falls “because they are not able to agree on anything”.

That is when his disillusionment with bosses began. But it was only in 1994 that he made the switch to a full-time career in leadership, after a computer-based trading simulator that his team designed won the chairman’s global award for quality, and got him shifted to training.

I drag him back into the real world of MBAs. How does one fit Gandhi, purpose and values into the fiercely competitive world of CEOs obsessed with quarterly results and the stock price of their companies?

“When Gandhi was trying to free India without firing a bullet, was it easy for him?” he asks. “When any leader tried to create a better future, did people make it easy for him? Not!” Real leaders succeed in spite of the environment, not because of it. So, if you blame your environment for your lack of leadership, you are not a leader, he says.

For now, he says, “My purpose is very clear: If I can convert five bosses into leaders, I have achieved my life’s purpose.” ♦

“My purpose is very clear: If I can convert five bosses into leaders, I have achieved my life’s purpose”

BOOKMARKS



Tell to Win
By Peter Guber
Profile Books
Pages: 255
Price: ₹295

The author says ‘telling to win’ is critical to closing a deal, and succeeding in the world of business. He is a former chairman of Sony Pictures, so he should know



The Rise & Rise of Juggad
By Virender Kapoor
Matrix Publishers
Pages: 202
Price: ₹240

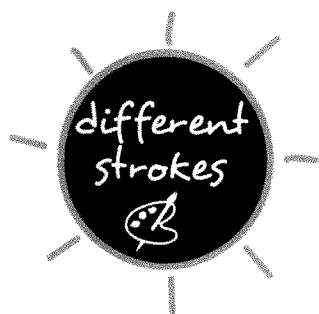
A good read for all of us who struggle to do business in an imperfect India, envying China’s infrastructure stories, American highways and innovation, Japanese quality products, etc

DOES YOUR MIND ROCK?

prove it

move it

rock it



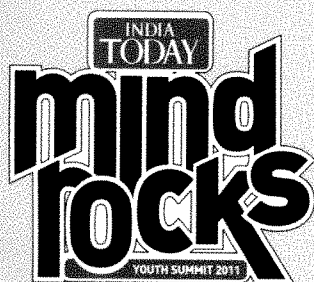
Your doodle, our logo.
A chance to redesign our logo
Show us how you see it.



Your music, our platform.
Showcase your talent.
Audition. Get votes. Get a show.



Your message, our medium.
Got a bright idea. Get it online.
Change the world.



17th September, 2011
Le Meridien, New Delhi

Register now to be a rockstar



Visit: www.indiatoday.in/youthsummit
Twitter: www.twitter.com/mymindrocks
Facebook: www.facebook.com/MindRocks
Call: Saurav Parmar at +91 11 23357087, 23325235
Mail us: youthsummit@intoday.com

SENTING SPONSOR



PARTNERS

HOSPITALITY

TV

MEDIA

RADIO

ONLINE

YOUTH PARTNER

WRITING
INSTRUMENT

YOUTH
OUTREACH



start

fasten your seatbelts!

08:30 AM

Rockstart

09:30 AM

WELCOME ADDRESS



SPEAKER

Aroon Purie
Editor in Chief,
The India Today Group

09:45 AM

INAUGURAL SESSION

Dreamcatchers



SPEAKER

Kumar Mangalam Birla
Chairman, Aditya Birla Group

MODERATOR

Aroon Purie, Editor in Chief,
The India Today Group

break

10:45 to 11:00
Coffee, tea
& rock

11:00 AM

KEYNOTE SESSION

Master Of The Game



SPEAKER

Anil Kumble*
Former Captain,
Indian Cricket Team

MODERATOR

Sharda Ugra
Senior Editor, Cricinfo



full volume



17th September, 2011
Le Meridien, New Delhi

PLUG INTO THE



fun ideas

break

03:15 to 03:30
Coffee, tea
& rock

03:30 PM

SESSION: TELEVISION

Keeping It Real



SPEAKER

Zarina Mehta
Co-founder, UTV



MODERATOR

Akash Banerjee
Senior Special Correspondent, Headlines Today

break

04:00 to 04:15
Coffee, tea
& rock

04:15 PM

KEYNOTE SESSION: POLITICS

Winds Of Change



SPEAKER

Omar Abdullah*
Chief Minister
Jammu and Kashmir

MODERATOR

MJ Akbar
Editorial Director,
The India Today Group

break
01.00 to 01.45
Lunch & Live
Concert

01.45 PM
SESSION: CAREERS

The Road Less Travelled

SPEAKERS



Subodh Gupta
Multi-medium
artist



Kiran Rao
Writer-Director,
Dhobi Ghat



Kalikesh Deo
Biju Janata Dal
MP from Bolangir,
Orissa



Divya Narendra
Created the site
HarvardConnection
which predates
Facebook

MODERATOR

Rahul Kanwal
Executive Editor, Headlines Today

12.00 PM
LUNCH KEYNOTE SESSION

Hitting The Bull's Eye

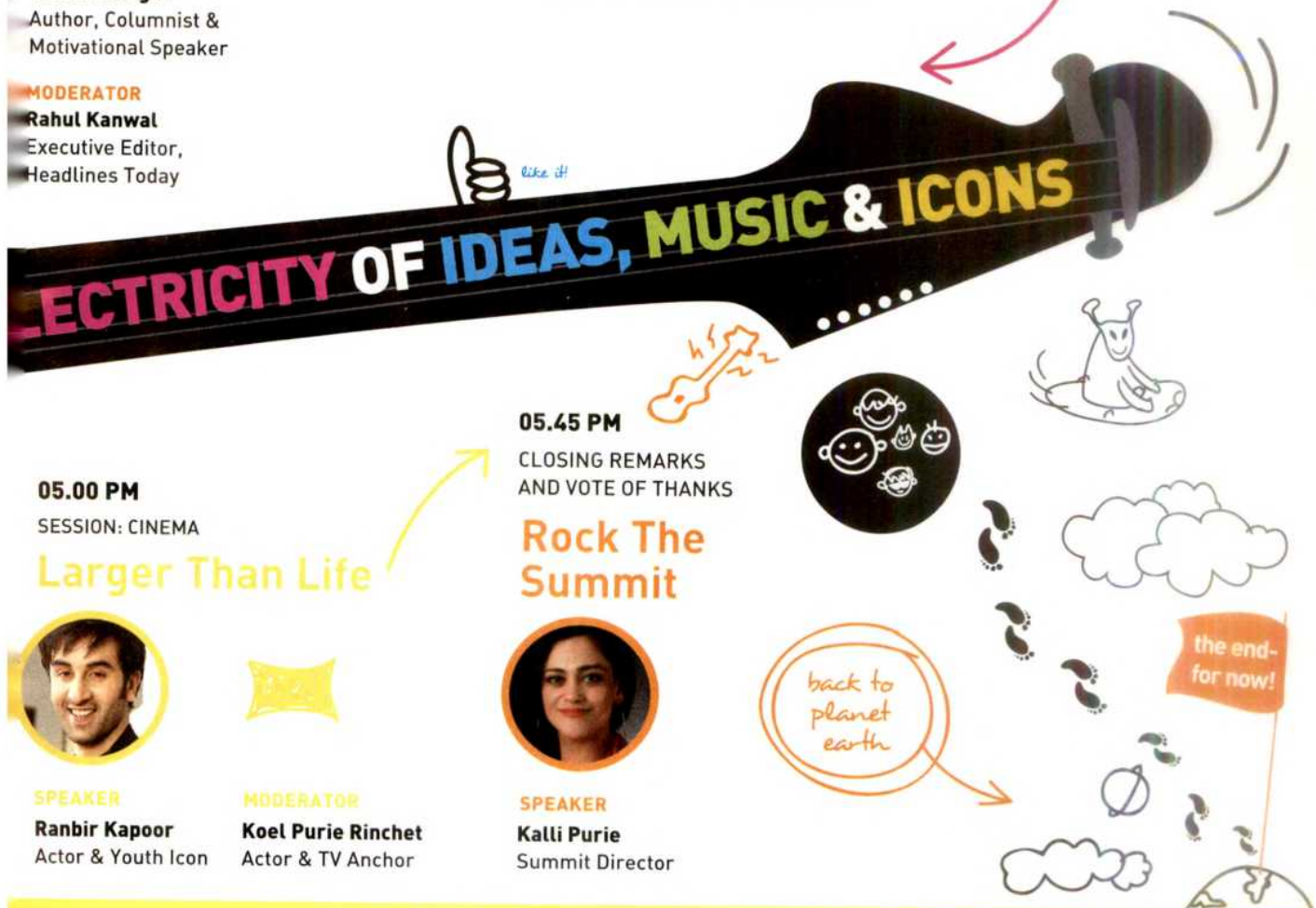


SPEAKER

Chetan Bhagat
Author, Columnist &
Motivational Speaker

MODERATOR

Rahul Kanwal
Executive Editor,
Headlines Today



05.00 PM
SESSION: CINEMA

Larger Than Life



SPEAKER

Ranbir Kapoor
Actor & Youth Icon

MODERATOR

Koel Purie Rinchet
Actor & TV Anchor



SPEAKER

Kalli Purie
Summit Director

05.45 PM
CLOSING REMARKS
AND VOTE OF THANKS

Rock The Summit

REGISTER NOW

EARLY BIRD OFFER:
RS. 1500 PER DELEGATE

Visit: www.indiatoday.in/youthsummit **Twitter:** [www.twitter.com/mymindrocks](https://twitter.com/mymindrocks)
Facebook: www.facebook.com/MindRocks **Call:** Saurav Parmar at +91 11 23357087,
23325235 **Mail us:** youthsummit@intoday.com

PRESENTING SPONSOR



PARTNERS

HOSPITALITY



TV



MEDIA



RADIO



ONLINE



YOUTH PARTNER



WRITING
INSTRUMENT



YOUTH
OUTREACH





Is Your Strength Your Weakness?

The line dividing the two can be thin at times

An investment advisor from a reputed multinational bank recently got talking about his career. "I got the regional recognition for performance, a very coveted badge," he told me. "Yet I was denied a promotion." This is a person I trust and have reached out to for my insurance plans in the past. I am clearly not a big ticket customer, but he keeps in close touch with me. He is obviously good at maintaining contacts.

His strength is also his ability to forge relationships. He never pesters clients to buy into investment plans and yet delivers above his targets. In spite of this, he is in a career logjam. His superior feels he is not giving his best. His achievements have also made him somewhat impatient with certain administrative procedures, which he considers a waste of time. His superior obviously regards some of his traits as shortcomings that will inhibit his effectiveness if he is promoted.

Does that sound familiar? Most of us have strengths that, at some point in our careers, no longer seem so to our peers. That same attention to detail that got an employee ahead at one stage may be resented later by his co-workers, who may find him too finicky. The very sense of responsibility that enabled an executive to complete a project successfully may subsequently be seen as micro-management by a control freak.

A tough-talking individual is

great for tackling difficult situations, but a complete misfit as a manager, as he provokes resentment among co-workers. "There is always an optimal point," says Gill Corkindale, an executive coach, on her blog in *Harvard Business Review*. "Confidence that doesn't border on arrogance, wit that doesn't slide into sarcasm, and diligence that doesn't become perfectionism," she adds.

Psychological Consultancy, a firm specialising in

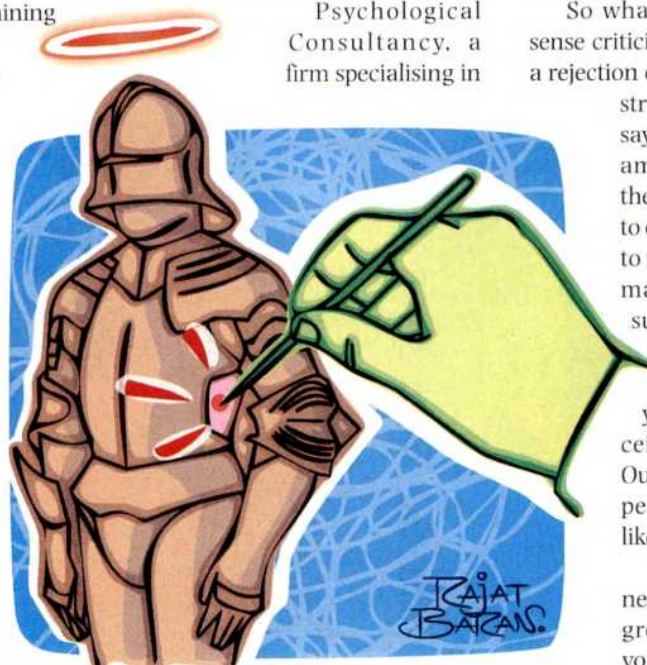
shows how winning traits disintegrate and how leaders get derailed – often alienating others, leading to erosion of loyalty and commitment.

It is reassuring that there are experts today to help companies tackle such problems. Not all companies, however, use them. Indian organisations, if they turn to experts at all do so only for their very senior resources.

So what do you do when you sense criticism of your methods, or a rejection of your winning style or strength? Being defensive, saying 'this is just the way I am' will only compound the problem. The idea is not to dump your strengths but to find outlets for them in a manner that becomes a sustainable winning signature. For one, it is good to introspect if you have been at the receiving end of criticism. Our best teachers are often people whom we do not like.

Experts suggest the need to build an analytical group of peers, superiors you value and friends who will engage in an exercise that lists your strengths and weaknesses, and also checks if your excessive reliance on certain methods is working against you. My investment advisor was smart enough to do precisely that and remained open to advice. After some analysis of his working style, he is managing to rise.

So is your skill turning into a bully and pushing you down? Or is it a life-long friend helping you? ♦



executive coaching and performance management, has brought out a fascinating report called *A Decade of the Dark Side – Fighting our Demons at Work*. It considers the implications of a survey – the Hogan Development Survey, with data collected over 10 years, between 1999 and 2009 – that identified personality-based performance risks and derailers of interpersonal behaviour. The report

Doors Have Not Closed Yet

But some recruiters have turned cautious amid fears of a slowdown, says Shamni Pande

Will they, won't they? The big question doing the rounds in the recruitment arena is whether companies will reduce hiring. "Job-seekers are going slow in some places as they fear a return of the 2009 slowdown. Company decisions to recruit are also taking too long," says E. Balaji, Managing Director and CEO of global human resource service provider Ma Foi Randstad.

Most companies do not admit to any cutback in requirements. But few have forgotten the global economic downturn of 2008 which caught many economies and businesses unawares. "While it is too early to say if we will see another recession, governments and businesses have memories. I believe they are in a better position to take quick and informed decisions this time," says Infosys CEO Kris Gopalakrishnan. Head of human resources, or HR, Nandita Gurjar claims Infosys's recruitment strategy is unaffected: "We are working towards hiring 45,000 people in 2011/12 and focusing on expanding our workforce in the US and other countries where we are present."

Even players in the visibly affected auto sector do not seem to be too worried. "We do not think the current rough phase will last long. In any case, we always take into account temporary blips," says



Feel the Squeeze

● **SECTORS SLOWING:** IT, ITes, Banking, Finance, Telecom

● **SECTORS STEADY:** FMCG, Retail, Pharma

S.Y. Siddiqui, Head of HR and Administration, Maruti Suzuki. Rising inflation and fuel prices have dented the auto sector in India more than global recessionary trends. Still, Siddiqui claims Maruti hired 350 people from campuses this year, more than in the past three years.

The organised sector in India created 704,800 jobs between January and June 2011, says the latest Ma Foi Randstad Employment Trends

Survey. An additional 369,200 jobs are expected by September.

"Short-term sentiments are driving the market. There is some panic, though the long-term outlook could be positive," says V. Suresh, Executive Vice President and Head of Sales at job portal naukri.com.

Indeed companies are reporting a complex interplay of trends: there is not much change in attrition rates, which means companies are recruiting. However, Sarada Jagann, Executive Director, HR, at The Sanmar Group, says: "Recruitment agencies are supplying us talent a little more quickly than in the past. This means they are a little less rushed in terms of demand."

Some firms like Tech Mahindra report flagging attrition levels. "We see a minute shift in attrition. We are not cutting back, but have adopted a cautious approach," says HR head L.K. Bhatia. In the healthcare sector, the mood is circumspect. "We do not hesitate to fill up a vacancy, but we are being guarded," says Gopal Tadanki, Associate Vice President, HR, Aurobindo Pharma.

No one is planning lay-offs, but the signs of caution are everywhere. "None have told us they are cutting back but there is a lag in filling up on attritions," says Sangeetha Lala, Vice President, TeamLease, a top HR services company. ♦

2

EMPLOYERS ARE WAITING FOR YOU.

Monster has over 20000 employers on the look out. Post your resume at monster.com and get the right job right here.

monster.com
Right Jobs. Right Candidates.



Senior Management Jobs brought to you by monster.com



Novartis Healthcare Private Limited

Drug Regulatory Doctor

Location: Hyderabad

Job ID: 10079919

Description: Must have minimum of 5 years work experience with Pharmaceutical Regulatory Affairs. Knowledge of worldwide regulatory procedures and requirements.



Firstsource Solutions Limited

Sr. Manager-Operations

Location: Mumbai

Job ID: 8666600

Description: The holder of this role is responsible for ensuring smooth work on the floor and the overall production targets, productivity, performance and quality.



Capgemini Business Services India Ltd.

HR - Generalist

Location: Bangalore

Job ID: 10198436

Description: Should have experience in Core HR activities and should have prior experience in handling 250 - 500 employees' strength. Experience in IT / ITES industry preferred. MBA (HR) fulltime candidates preferred.



Avantha Power & Infrastructure Ltd

DGM-HR

Location: Jabalpur

Job ID: 10046845

Description: Resource must have more than 15 years exp preferably in management HR function in projects. Responsible for handling the complete HR/IR function for our 1200 MW Greenfield Thermal Power Project near Jabalpur.



ABB Limited

Branch Manager

Location: Chandigarh, Raipur

Job ID: 10144829

Description: Should have exposure in managing branch operations, Sales & marketing function, Electrical Products & Projects. Should have minimum 10-12 years of work experience in Electrical industry.



Futures Ahead

VP Finance/ CFO

Location: Mumbai

Job ID: 10188027

Description: The candidate will have industry knowledge of capital markets, hedge funds, fund administration and strong interpersonal skills.



AMD, Inc

HR Business Partner

Location: Bangalore

Job ID: 10100505

Description: Ensure that all sales human resource processes are state-of-the-art and are consistent with local and corporate guidelines.



Infotech Enterprises Limited

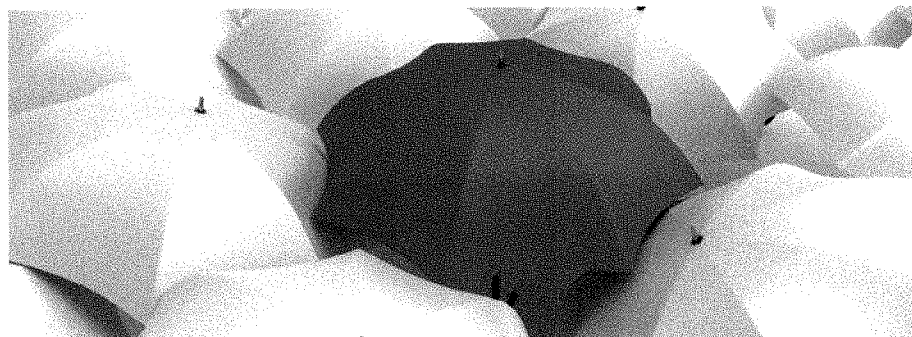
Finance Manager

Location: Hyderabad

Job ID: 10198912

Description: As a In charge of FINANCE in a Operating Unit and as, role incumbent will be one point contact for all heads in Operating Unit on any areas relating to FINANCE.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button



From millions of candidates, Monster helps you find the one that's just right for you.

Call us Toll free : **1-800-4196**
email us at sales@monsterindia.com

monster.com
Right Jobs. Right Candidates.



IT Jobs brought to you by monster.com



TATA Consultancy Services Ltd.
Network Engineer - IP Management
Location: Hyderabad
Job ID: 10165762

Description: Good Understanding of TCP/IP, Routing and Switching protocols, Load balancing concepts. Must have good knowledge on network administration. Excellent understanding of IP addressing concepts.



Fiserv India Pvt Ltd
Team Leader/ Technical Leader
Location: Pune
Job ID: 10179329

Description: Exp in providing technical solutions. Good working knowledge of Mobile Technology Worked in Android , iPad ,Iphone or similar mobile technology Design and Developed applications using J2ME ,XML, Web Services.



Saba Software India Pvt Ltd
Engineer / Sr. Engineers (Java/J2ee)
Location: Mumbai, Pune
Job ID: 8297724

Description: Practical experience in Java, J2EE, EJB, Servlets, JSP is essential. Experience in any RDBMS (SQL Server / Oracle / DB2) is essential. Good knowledge of coding standards and unit and integration test cases. Functional and Design Delivery.



Virtusa Software Services Pvt Ltd
C++/UNIX -Senior Engineer
Location: Chennai
Job ID: 9962962

Description: Should have worked on C/C++ UNIX. Oracle Data Base interaction in Unix Operating System with C,C++ Skills is very much mandate. Shell, Unix Scripting Skill is an added advantage.



Safenet InfoTech Pvt Ltd
Software Engineer/ Programmer
Location: Noida
Job ID: 9824691

Description: Application programming for Information Security products using C/C++ over Windows, Linux, Solaris platforms. Person would get an exposure working in Security wrappers and over different OS platforms.



Amazon Development Centre India Private Limited
Sr. Software Development Manager
Location: Chennai
Job ID: 9942965

Description: Looking for Sr. Software development Managers; 12+ years of exp; People Mgmt, Strong concepts of C/ C++/ Java, Algorithms, Data Structures, Problem solving; etc.



Oracle Financial Services Software Ltd
Team Leader/ Technical Leader
Location: Bangalore, Hyderabad
Job ID: 10164577

Description: Looking for OBI Applications Consultants (Tech Lead) for our Bangalore, Hyderabad & Gurgaon locations.



Polaris Software Lab Limited
Software Engineer/ Programmer
Location: Chennai
Job ID: 9953445

Description: Candidate Should have strong exp in PL/SQL, Unix, ProC. Should be atleast a graduate.

To apply for above jobs login to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



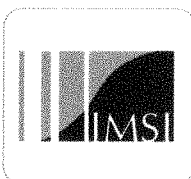
Finding the right candidates made us make the world borderless

Call us Toll free : **1-800-4196666** or email us at sales@monsterindia.com

monster.com
Right Jobs. Right Candidates.



Sales and Marketing Jobs brought to you by monster.com



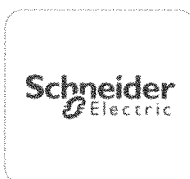
IMSI India P Ltd

Telesales Executive

Location: Dehradun

Job ID: 10189394

Description: Should possess good communication skills, be resourceful in problem solving, planning and implementing proactive processes to ensure maximum customer satisfaction and retention.



Schneider Electric India Pvt Ltd

Area Sales Manager

Location: Bangalore, Mumbai

Job ID: 10199285

Description: Thorough understanding of the enterprise sales function and processes including annual sales planning. Manage Accounts & channels and achieve targeted sales revenue and growth goals for the territory.



India Mart

Direct Marketing - Executive

Location: Nasik

Job ID: 9803667

Description: This role is primarily responsible for new client acquisition and business development. Ensuring that the Sales Targets are met. Development of New Clients and/ or markets.



eBay, Inc

India Product Manager

Location: Mumbai

Job ID: 10096382

Description: Analyze business and user needs specified and formulate product recommendations. Candidate must have Indian ecommerce market understanding and knowledge.



Zensar Technologies Ltd

Key Accounts Manager

Location: Hyderabad

Job ID: 10159456

Description: Provide marketing cover for the SAP license and services sales activity.



CareerNet Consulting

Sales Manager

Location: Kolkata

Job ID: 10126688

Description: Person need to recruit agent, advisor and to guide, support & motivate them in order to sell the financial products.



Photon Infotech Private Limited

Sales Exec/ Sales Representative

Location: Chennai

Job ID: 10210089

Description: Should be any graduate/MBA with 1 -6 yrs. of experience in business development/call center/BPO Industry.



Omnitech InfoSolutions Ltd

Partner Alliance Manager

Location: Mumbai

Job ID: 10190919

Description: Manage a team of VRMs (Sales & Support) to achieve top line numbers in Sell-to & Sell-through categories.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

Find the right candidate with Monster's 3 Layer Quality Check



→ Profile targeting

→ Barrier prompt

→ MagicFilter

Try Monster's enhanced Job Posting today. Its one of the many things we do to get you the right candidate.

Call us or email us at sales@monsterindia.com.
Toll free : 1-800-4196666

monster.com
Right Jobs. Right Candidates



Finance Jobs brought to you by monster.com

UnitedHealth Group

UnitedHealth Group
Assistant Manager - Finance and Accounts
Location: Mumbai
Job ID: 10161428
Description: Looking for CA with 3-5 years of experience. Billing and Recovery processes. Budgeting, Forecasting, MIS, Audits, Finalization of Accounts, preparations of Balance sheets etc.

pwc

PwC Service Delivery Center (Kolkata)
Chartered Accountant (CPA)
Location: Kolkata
Job ID: 10193555
Description: Financial statement review procedures based on understanding of relationships between supporting documentation and financial statement documents in accordance with auditing standards

Deloitte

Deloitte
Audit Senior
Location: Delhi
Job ID: 10130433
Description: 2 years to 5 years of relevant Audit experience (Preferably from a BIG 4 firm or similar sized firms). Positive attitude, good communication, multi tasking and teaming skills.

Cognizant

Cognizant Technology Solutions India Private Limited
Wealth Management professionals
Location: Pune
Job ID: 10202349
Description: Ideal candidate should be aware of trade life cycle (in India or US). Mutual Fund, Hedge fund / Alternative Investment knowledge.

SYNTEL
Consider IT Done

Syntel Inc
Process/ Work Flow Analyst
Location: Pune
Job ID: 9952291
Description: The candidate should have a good exposure to the financial module of JDE/JD-Edwards.

GlobeOp

GlobeOp Financial Services, LLC
Manager-Fund Accounting
Location: Mumbai
Job ID: 9874514
Description: The position requires the individual to be client focused and committed to delivering quality at all times. The role will suit someone who thrives on pressure and has a systematic approach to problem solving.



Electronic Arts Games (India) Pvt
Finance Assistant
Location: Hyderabad
Job ID: 9905531
Description: The Accounts Receivable Analyst is responsible for executing all AR activities in accordance with stated policies and procedures for assigned duties.

abc
CONSULTANTS

ABC Consultants Pvt Ltd
Regional Finance Analyst
Location: Mumbai
Job ID: 10192828
Description: Responsible for leading the planning process for region - long term as well as annual business plans and act as a challenger to ensure that the plans have adequate stretch and achievability.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

FINDING THE RIGHT CANDIDATE STRESSING YOU OUT?
JUST CALL



For the fastest, easiest and most economical way to get to the perfect resume, call us or email at sales@monsterindia.com.

We'll get you the right candidate, no matter what.

monster.com

Right Jobs. Right Candidates.



Bennett J. Morgan
President & COO, Polaris

SAPTARSHI BISWAS/www.indiatodayimages.com

Easy Rider

A 23-year veteran with Polaris Industries, a leading manufacturer of all-terrain vehicles, or ATVs, **BENNETT J. MORGAN** still finds his work exciting. "When you have a tremendous passion for sports and the products you make, coming to work is a joy and an exciting and rewarding experience," says Polaris's President and Chief Operating Officer. At a time when the global market for ATVs is dwindling, with sales falling 10 per cent last year, Polaris has notched up an impressive

growth of 15 per cent. Morgan's success mantra: "It is easy to be extraordinary when you are doing what you love." Polaris is banking on emerging markets like China, Brazil and India for future growth. Morgan says India is a nascent but huge market for ATVs. He adds a word of caution, though: "It is easy to be excited... you also need to be patient." And it is easy to be patient, when you are making profits.

ANAND J.



Down and Out

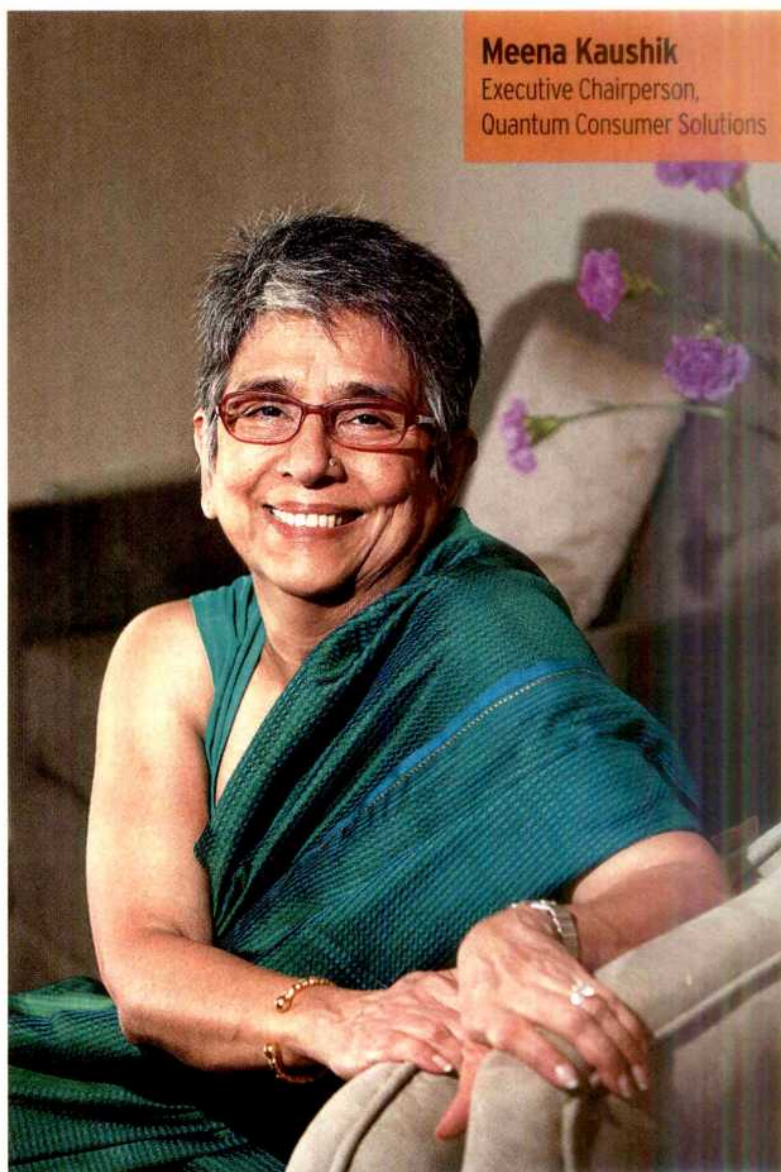
Is **DEVEN SHARMA**, 55, President of Standard & Poor's, being forced to quit for having the temerity to downgrade the United States' long-term debt rating from AAA to AA+? He will step down on September 12 to be succeeded by Douglas Peterson, 53, currently Chief Operating Officer at Citigroup. The announcement came within three weeks of the historic downgrade. Sharma, who grew up in Jharkhand, joined the global ratings agency in 2006 as Executive Vice President and became President a year later. But many, including Sharma's father R.N. Sharma, ex-chairman of Bharat Coking Coal, claim Sharma had decided to quit much earlier.

Deven Sharma
Outgoing President,
Standard & Poor's

Big Leap

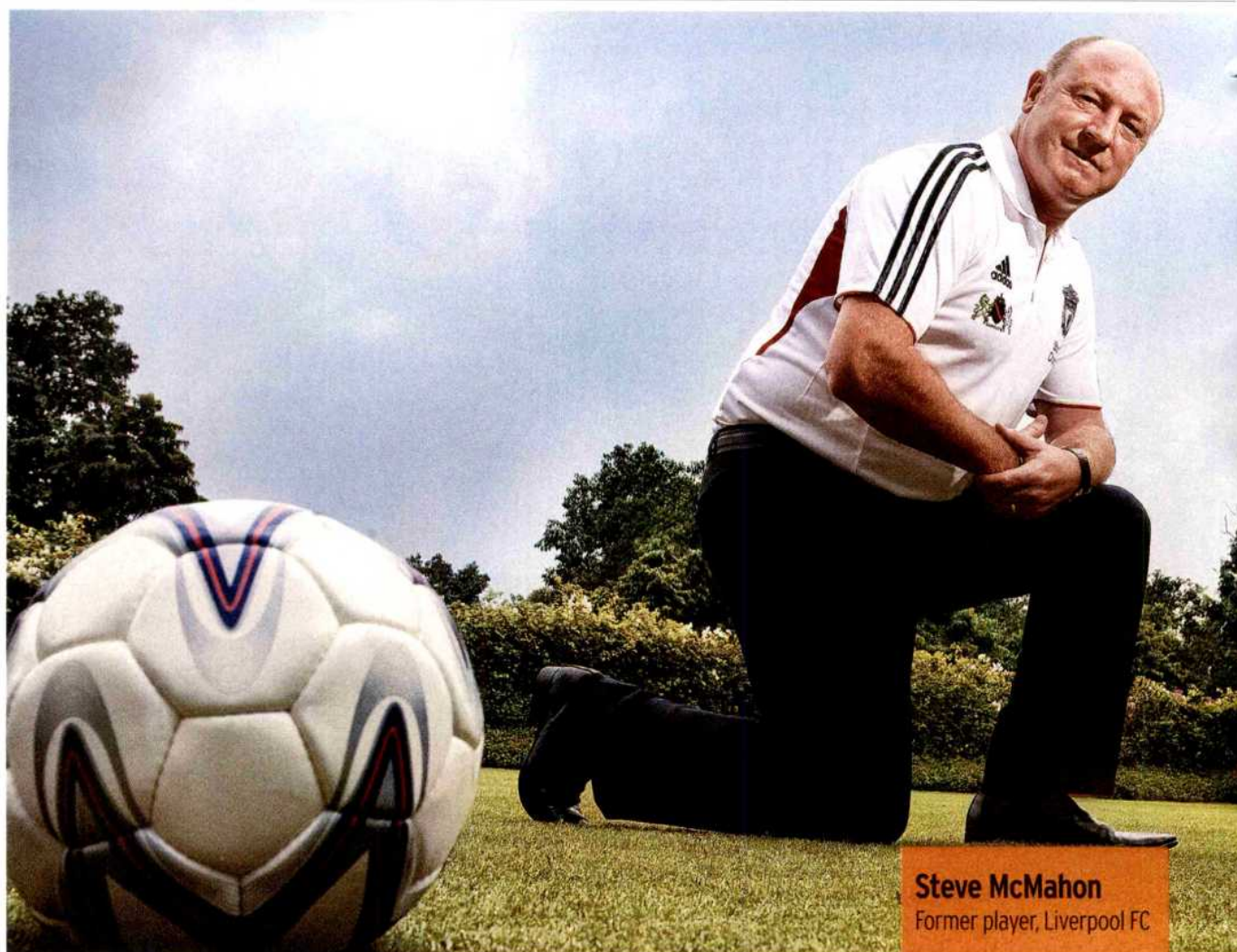
MEENA KAUSHIK, 60, has taken the next big leap. Her firm, Quantum Consumer Solutions, has moved from being a pure consumer research company to one looking at consumer consciousness. A trained anthropologist, Kaushik believes there is a need to understand consumer culture and behaviour more deeply, and has accordingly introduced ethnography as a consumer research tool. How are the two connected? "Qualitative research focuses on the psyche of the consumer," she says. "It's all about the why of consumer behaviour. Consumer ethnography deals with the cultural influences in an individual's life. It delves deeper into the consumer mind as well as his or her reality to uncover real beliefs and needs." Quantum has even done an ethnography study to find out how Bollywood is consumed. Kaushik's favourite pastime is watching television serials. "I am a great exponent of popular culture, and television also helps me understand shifts in consumer preferences," she says. That's an insight.

ANUSHA SUBRAMANIAN

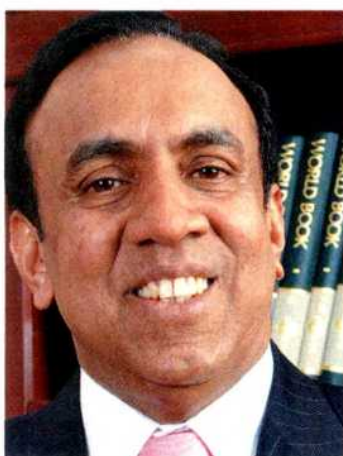


Meena Kaushik
Executive Chairperson,
Quantum Consumer Solutions

NISHIKANT GAMBHU/WWW.INDIAODAYIMAGES.COM



Steve McMahon
Former player, Liverpool FC



Hot(el) Entrepreneur

What is the magic formula behind the success of Padmashri recipient **RAVI PILLAI**, 60, who recently bought the Leela resort in Kovalam, Kerala, in a ₹500 crore deal? "Honesty, hard work and commitment are the secrets of my achievements," says the Managing Director of Nasser S. Al Hajri Corporation, Saudi Arabia. Pillai, who has interests in construction and petrochemicals, says: "There were other overseas

players but being an Indian I was very eager to take over the property. Also my personal relations with Capt. Krishnan Nair (Chairman of the Leela Group) helped."

Ravi Pillai
MD, Nasser S. Al Hajri Corp.

DEARTON THOMAS HECTOR



PARK AVENUE

TRUE SHADES

Painting It Red

If you like football and watch ESPN STAR Sports, you must be familiar with commentator **STEVE MCMAHON**, 50. This former Liverpool player recently launched the Steve McMahon Football Academy, the official Liverpool Football Club academy, in India in partnership with the Mumbai-based Carnoustie Group. Its first centre starts in Noida in October, to be followed by centres at Mumbai and Goa, among other places, by 2012. The academy was launched on the same day former India captain Baichung Bhutia decided to retire from international football. Time to find new future stars, indeed.

DEARTON THOMAS HECTOR

Lots in a Name

A name like **UMESH C. DEVESHWAR**, immediately sends signals – the correct ones. The 62-year-old Chairman of Imerys India is indeed the younger brother of ITC Chairman Yogesh C. Deveshwar. Imerys, the French industrial minerals company, is looking at beefing up its India operations. So, does the name open doors for him? UCD, as he can be called, recalls an occasion when he led a delegation of the Indian Refractory Makers Association as its chairman to meet the managing director of a SAIL steel plant. "The MD said he wanted to meet me alone. He thought I was my brother," says UCD. ♦

SUMAN LAYAK



Umesh C. Deveshwar
Chairman, Imerys India

RACHIT GOSWAMI/www.indiatodayimages.com



Life
among
people
you'd
like
to be
friends
with.



www.atsgreens.com



SANJAY RISHI
Asia Business Head,
Emerging Payments and
New Ventures, American
Express (India)

My leadership style

- ☐ Delegative
- ☐ Participative
- ☐ Authoritative
- ☒ All of the above

The political leader
I admire the most
Nelson Mandela

The business leader
I admire the most
Warren Buffett

The leadership lesson
I remember the best
Success is not
defined by how
well you are doing
relative to the
other guy but
relative to your
potential

A movie I would
recommend on
leadership
Lagaan

The difference
between a manager
and a leader
A CEO can be
effective only
if he/she is able
to manage all
the components
of his/her work
environment. A
junior manager
cannot deliver
without stretching
his/her personal
leadership
muscles

As told to Vivan Mehra

VIVAN MEHRA / www.indiatodayimages.com

Vol. 20, No. 19, for the fortnight September 5 to 18, 2011. Released on September 5, 2011.

AWE'11
AUTUMN WINTER EXPERIENCE

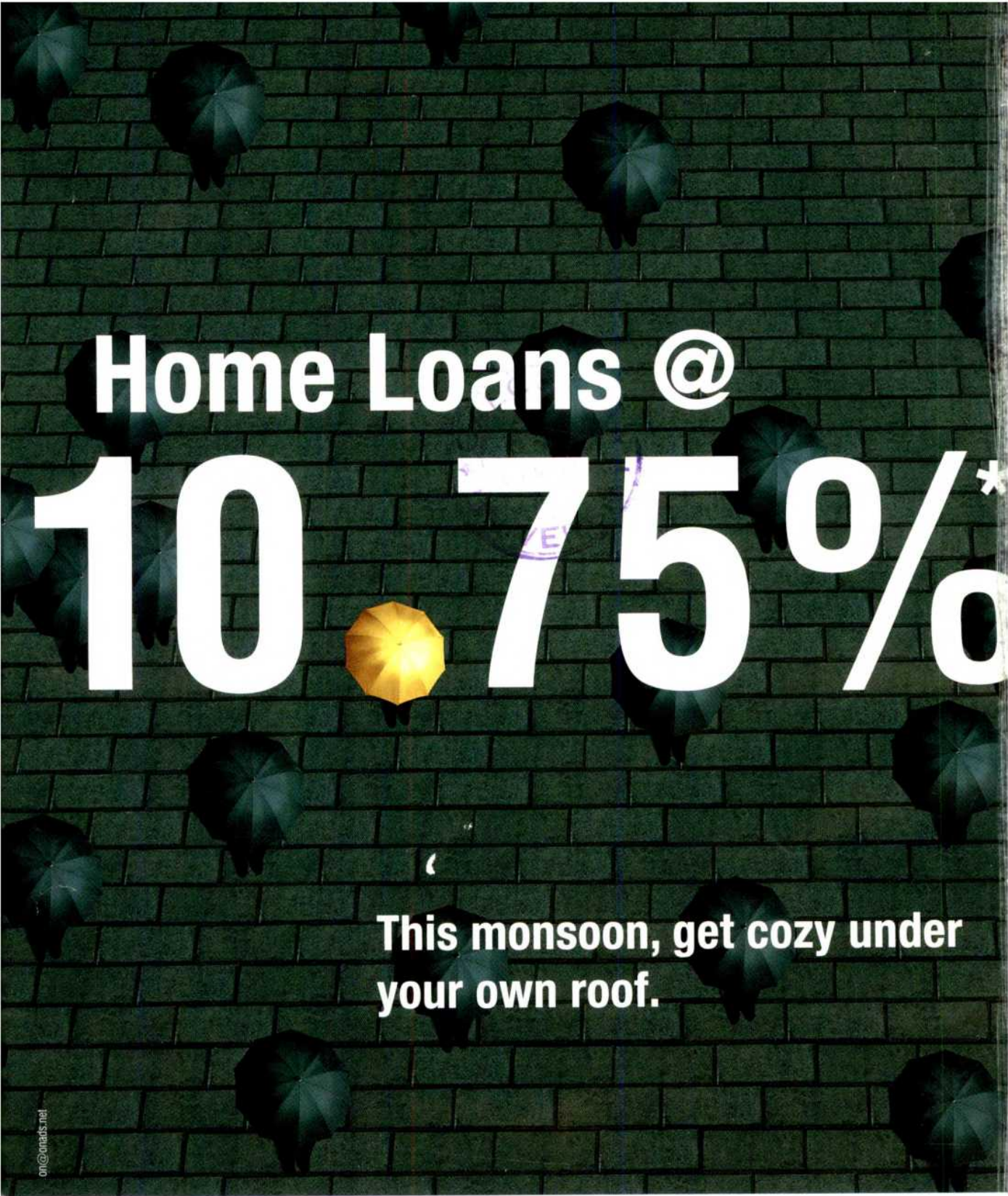
ColorPlus

Break the Winter Blues



Blue checks in 100% cotton crafted with a soft hand feel, just for you.

www.colorplusonline.com



Home Loans @ 10.75%*

This monsoon, get cozy under
your own roof.

on@onads.net

Home
loan in **48**
HOURS*

Helpline: 1800-200-7777
SMS: 'HOME' to 56677
Email: homeloans@indiabulls.com
www.financial.indiabulls.com

Indiabulls
HOME LOANS

ghar aa jao

ANNIVERSARY SPECIAL

business today

for managing tomorrow

www.business today.in

October 2, 2011 ₹30

TOMORROW'S OLIATHS

ht Indian
gacorps in the
king 58

mens Learns
m a Goa
periment 104



constructing
ggish GDP 14

Brio Bring Cheer
Honda?



THE TAKEOVER MAN

Anand Mahindra Revs Up
A Far-Flung Empire



THE
INDIA
TODAY
GROUP

AWE'11
AUTUMN WINTER EXPERIENCE

ColorPlus

Break the Winter Blues



Blue checks in 100% cotton crafted with a soft hand feel, just for you.

www.colorplusonline.com

Deutsche Bank
db.com/india

Award winning financial solutions. For over 30 years in India.

Best Global Bank
Euromoney Awards for Excellence 2011*

Bank of the Year
IFR Awards 2010*

Passion to Perform



*Awarded through a formal pitch submission process carried out among financial institutions active in the international market. This advertisement has been approved and/or communicated by Deutsche Bank AG and appears as a matter of general knowledge. The content described in this advertisement is not intended to be used as a basis for investment decisions.

IMPACT TEAM

Senior General Managers: Sonal Pandey (West & South), Sunil R. (Bangalore), Kanustav Chatterjee (East), V. Somasundaram (Chennai), Jitendra Lad (West)

Marketing: Vipul Hoon, General Manager

Consumer Marketing Services: Poonam Sangha, Head; Rapeev Chawla, Sr Manager (Subscriptions & Customer Care); Gurpreet Singh, Sr Manager (Direct Distribution & Operations)

News-stand Sales: D.V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Deepak Bhatt, General Manager (North); V.A. Chotalia, Regional Manager (East); Rajesh Menon, General Manager (West); M. Krishna Kiran, General Manager (South); Rakesh Sharma, General Manager (Operations)



Vol. 20, No. 20, for the fortnight September 19-October 2, 2011.
Released on September 19, 2011.

● Editorial Office (Delhi) 5th Floor, Vidcon Tower, E-1, Jhandewalan Extn., Delhi-110055. Tel: 011-23684812-15. Fax: 011-23684819. E-mail: btoday@btadid01.vsnl.net.in
● Advertising Office (Delhi) Ground Floor, Vidcon Tower, E-1, Jhandewalan Extn., Delhi-110055. Tel: 011-43129111. Fax: 011-23593380/81. Trade Centre, 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Panel, Mumbai-400013. Tel: 022-24983355. Fax: 022-24982296. Impact office, Trade Centre 2nd Floor, Kamala City, Senapati Bapat Marg, Lower Panel, Mumbai-400013. Tel: 022-24983355. Fax: 022-24982296. Chennai 2nd Floor, 98-A, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004. Tel: 044-28478536-41. Fax: 28472178. Bangalore 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025. Tel: 080-22212448. 080-30374106. Fax: 080-22218335. Kolkata 52, J.I. Road, 4th floor, Kolkata-700071. Tel: 033-22825598. 033-22827726. 033-22821972. Fax: 033-22827254. Hyderabad 6-3/885/7/8, Raj Bhawan Road, Samsaiguda, Hyderabad-500082. Tel: 040-23401657. 040-23400479. Ahmedabad 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchsathi, Off. C.G. Road, Ahmedabad-380006. Tel: 079-6560393. 079-6560929. Fax: 079-6562593. 39/1045, Kochi Karakkatt Road, Kochi-682 016. Tel: 0484-2377057. 0484-2377058. Fax: 0484-370962. ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301. Tel: 0120-2479900 from Delhi & Faridabad. 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India. Toll free no: 1800 1800 100 (from BSNL/MTNL lines). Fax: 0120-4078080. E-mail: webcare@btindia.com
● Sales: General Manager Sales, Living Media India Ltd. B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301. Tel: 0120-4019500. Fax: 0120-4019664. © 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Malcolm D. Mistry on behalf of Living Media India Limited. Printed at Thomson Press India Limited 18-26, Main Street, Delhi Mathura Road, Faridabad-121007. (Haryana) set at Print No. S-54, TTC Industrial Area, Thane Belapur Road, Airoli, Near Mumbai-400 708 (Maharashtra). Published at K-9, Connaught Circus, New Delhi-110 001.
● Business Today does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only

For reprint rights and syndication enquiries, contact syndication@btindia.com or call +91-120-4078000
www.syndicationtoday.in

From the Editor

Most of us are cursed with poor memory. We need episodic markers to help us measure our lives from one significant remembrance to another. Our collective memory is etched with historic events. The day Neil Armstrong walked on the moon/Indira Gandhi was assassinated/the Berlin Wall fell have calibrated the second half of the 20th century. This generation has 9/11 (and now Anna Hazare). I remember I was driving to Singapore airport that night in 2001 when my daughter called from California to say there had been an "accident" at the Twin Towers in New York. By the time I checked in, shocked travellers were staring at TV screens as the second plane, United Flight 175, hit the South Tower. Badly shaken but unable to comprehend how cataclysmic the attacks were, I climbed into a British Airways flight to London. For the next 13 hours, sealed in a metal tube hurtling towards – what? – with dozens of other sleepless passengers, I had no inkling of what the world had become in a flash of flame and dust. In the decade since, terror has become a constant in our lives, wherever we live on this planet. Four days before the tenth anniversary (why that should be more significant than the ninth, or the sixth, I don't know) a briefcase bomb planted at the Delhi High Court killed and maimed friends of friends and children of friends. We must pick ourselves up and move on.

Talking of overcoming odds, you can read about David vanquishing Goliath in the Old Testament at 1 Samuel 17, but at *Business Today* we are often contrarian and put our faith in companies that have an excellent shot at being very big, and impervious to the slings and arrows of outrageous fortune. This fortnight we celebrate 19 of Tomorrow's Goliaths (starting page 58) that we don't believe will be up against any Davids any time soon. This is the third of four quarterly specials in this special 20th anniversary year (yes, India's No. 1 business magazine also believes in signposts). Will we be proven right? Watch these pages for progress reports; we do not just rest on our bets.

There was another story that we had to take note of, hence the 'double' cover this issue. For 20 years, Anand Mahindra has had his foot pressed firmly on the accelerator at the automotive, aviation and software giant bearing his family name. He has made a few audacious bets, like we have, and he is evangelical about his mission. Business leaders like The Scorpio King are particularly worthy of study because they took the DNA from a pre-reform Jurassic Park and cloned a new breed of Indian entrepreneur. Go to page 44 for this new testament, and to page 54 for the words of the apostle of Rise (full text on our web site at www.businesstoday.in/anandmahindra).

There are a lot of wheels this issue (see Honda, page 38) and if you have secretly dreamt of sitting astride more than 100 horsepower of brute engineering, don't miss the paeon to Harley-Davidsons starting on page 120. And by the way, our Most Powerful Women in Indian Business Awards in Mumbai on August 30 were a great success. For keynote speaker Sara Mathew's inspiring speech, click on www.businesstoday.in/mathew.



Covers of the three quarterly specials

Chaitanya Kalbag
chaitanya.kalbag@intoday.com
www.businesstoday.in/editor

BOSE
Better sound through research®

Music. Whenever. Wherever.

NEW SoundLink™ Wireless Mobile Speaker



Is your favorite music on your mobile phone?

Now there's a way to share it out loud, whenever and wherever you want.

The Bose® SoundLink™ is a wireless speaker system that works with your smartphone, tablet or other Bluetooth® devices. You can now enjoy your music with clear, detailed sound – all thanks to unique technologies you can only get from Bose.

Try the SoundLink™ speaker for yourself, and discover a whole new way to unleash the music on your phone.



Boseindia.com/SoundLink | 1-800-11-BOSE(2673) | SMS 'MUSIC' at 989 970 2673

©2011 Bose Corporation. The Bluetooth word mark and logos are registered trademarks owned by Bluetooth SIG, Inc., and any such use by

CHIAROSCURO

12 | Quick takes on major events of the last fortnight

FOCUS

14 | Cracks in the Concrete
The first quarter GDP number cloaks faultlines in the economy

16 | Policy

22 | Branding

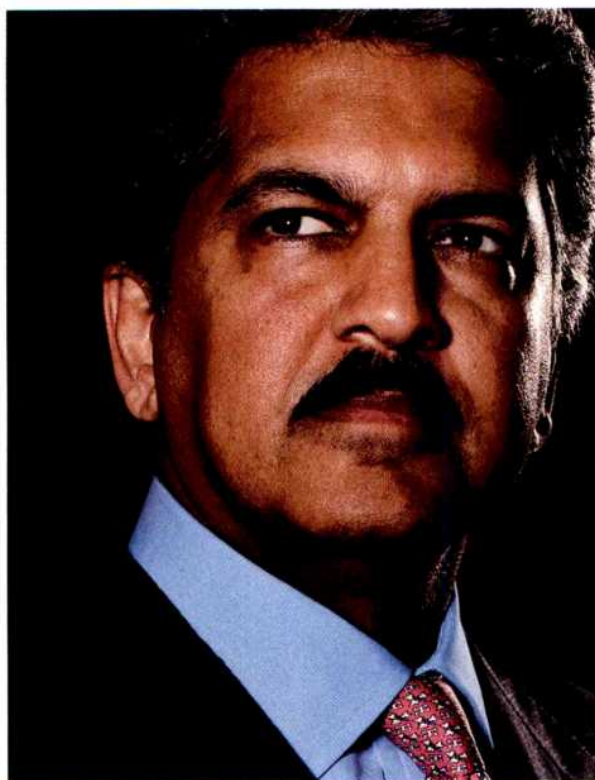
26 | Graphiti: Beyond Margins

FEATURES

32 | Silken Purse Strings
Sponsored fashion weeks have spawned a uniquely Indian brand ecosystem

38 | Lively New Hope
Faced with dwindling sales, Honda readies small car Brio

104 | More Bang for Bruck
An X-ray machine developed in Goa prods change in Siemens AG's global approach



COVER BY KAPIL; COVER PHOTOGRAPH: UMESH GOSWAMI

COVER STORY

44 | The Takeover Man
The story of how Anand Mahindra came from behind to build a \$12.5-billion empire spanning over 100 countries

52 | Column: Vijay Govindarajan

54 | Interview: Anand Mahindra

110 | A Bourse for SMEs, Again

BSE is gung-ho about its plan for a new SME exchange, as the market is more mature now

114 | EVENT
What Glass Ceiling?

The eighth edition of BT's Most Powerful Women Awards function celebrated gritty women achievers

LBNL

120 | Heavy Metal Thunder

The Harley-Davidson lifestyle is full of power and poetry

124 | PTECH
Beware the Robot

126 BOOKEND
Author Marc Effron on good HR practices

127 | EXECUTIVE HEALTH
Pain in the Neck

128 | JOBS
Help Others, Help Yourself

134 | Peoplebusiness

136 | LEADERSPEAK
R.S. Agarwal, Joint Chairman, Emami Group of Companies

TOMORROW'S GOLIATHS

60 | In the Pink of Healthcare
The Singh brothers want to make Fortis bigger than Ranbaxy

66 | Skywalker
Precision operations have helped Rahul Bhatia's IndiGo surpass its competitors

72 | The Persevering Innovator
Glenn Saldanha wants Glenmark Pharma in an exclusive club

76 | Charge Ahead
L. Madhusudhan Rao wants to take Lanco Infratech to the super league

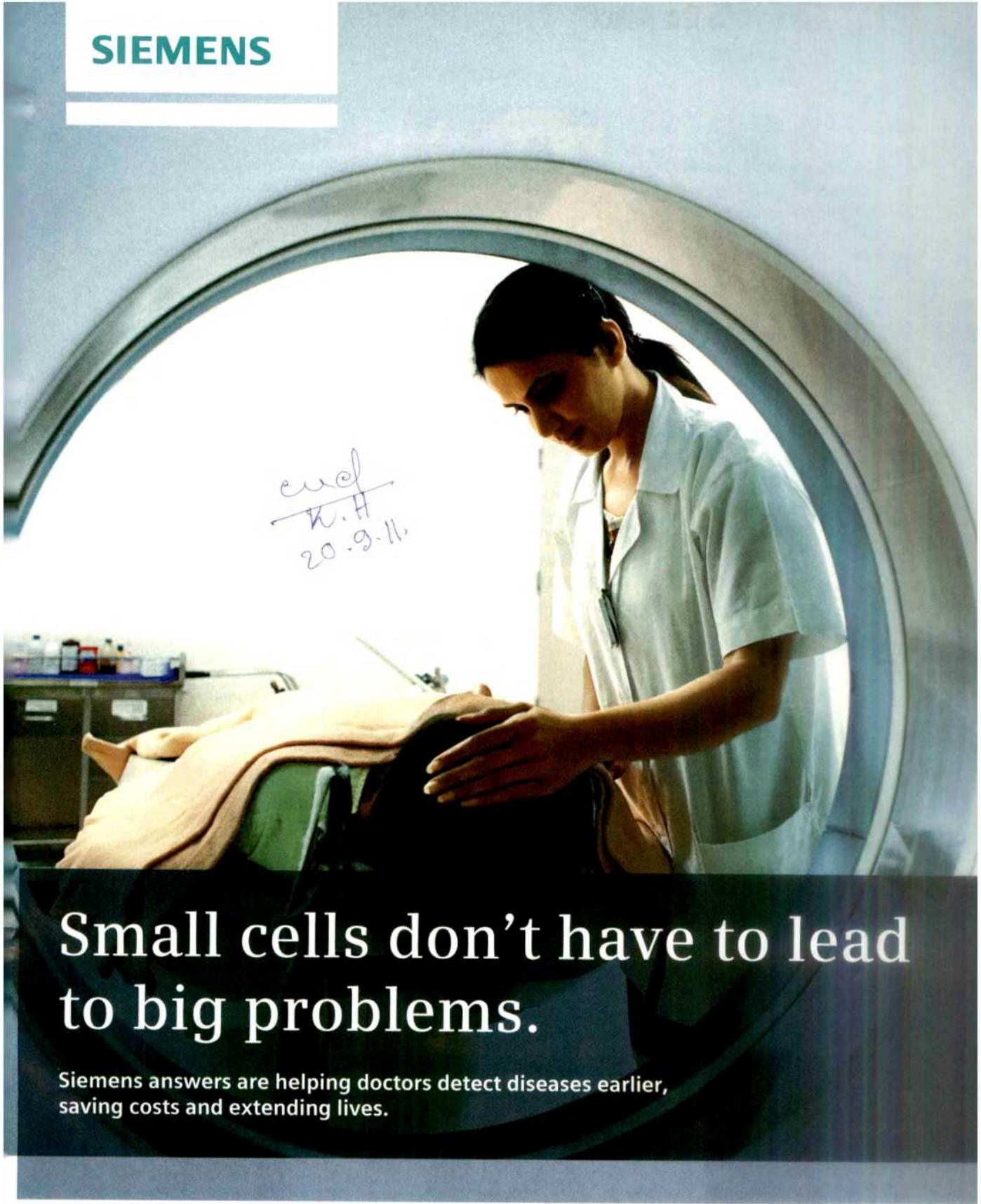
80 | Coffee Raj
Café Coffee Day's V.G. Siddhartha has shaken up the somnolent Indian coffee business

86 | Atom Corp.
S.K. Jain of Nuclear Power Corp. promises successes ahead

90 | Full Credit
Led by Shikha Sharma, Axis Bank's aggressive growth path could take it into the realms of biggest banks

96 | Software's Comeback Man
Phaneesh Murthy's iGATE will be a billion-dollar company by 2012

100 | Full of Promise
More companies could turn Goliaths in a few years



SIEMENS

Small cells don't have to lead to big problems.

Siemens answers are helping doctors detect diseases earlier, saving costs and extending lives.

When diseases are caught early, they make less of an impact on everyone. That's because a large majority of today's healthcare costs go toward treating the late stages of diseases like cancer and heart conditions. With Siemens advanced diagnostic technology,

doctors can accurately identify these killers earlier. So patients get the treatment they need sooner. Thus saving lives and cutting costs. With more and more Indians needing access to affordable healthcare in the future, Siemens has the answers that last.

siemens.com/answers

Three Cheers

Your cover story (*Superhero Dreams*, September 18) was simply fantastic. The layout was very well done and actually brought the story alive. The 25 years Hero spent with Honda made Hero Honda a household name in India, the largest two-wheeler market in the world. Now Hero MotoCorp is ready to take on the best not only in India but also globally. In the next decade, it will truly be a global enterprise of strength, repute and character. Your feature on Infosys (*The New Face of Infosys*) was also quite interesting. When it comes to professionalism, Infosys comes out on top and is en route to becoming a *Fortune* 500 company. Your package on *The Most Powerful Women In Indian Business* was pretty exhaustive and an eye-opener on how women can rapidly bring about a sea change in the socio-economic growth of the country.

Ramesh Bhojwani, Mumbai

Two More Years...

D. Subbarao, Governor, RBI, has got a two-year extension as expected (*Second Wind*, September 4). The road ahead may not be smooth, what with the global financial crisis, but if there is one man who can help keep the economy on track, it is Subbarao, who has proven his credentials time and again. Who can possibly forget his record in effectively managing liquidity during the height of the crisis?

S. Chakravarti, Kolkata



The 25 years Hero spent with Honda made Hero Honda a household name in India. Now, Hero MotoCorp is ready to take on the best in India and the world

Changing Times

Bharti Airtel is undergoing an ambitious reorganisation (*Wring Tone*, September 4). The transformation is probably the biggest change the Delhi-based telecom giant has carried out in an attempt to return to its vibrant past. Let us hope for the company's as well as India's sake that it all ends well.

R. Upreti, Noida

Reforms Needed

He was the face of modern India as finance minister and then gave much hope as home minister. But P. Chidambaram seems to have lost his way (*Ending Stasis*, September 4). At a time when the country is in need of reforms, his comment that "reforms can be stalled, if you do not take an aggressive stance" was quite alarming.

Jacob Sahayam, Thiruvananthapuram



www.businesstoday.in/coverstory: *Superhero Dreams* (September 18) looks at how Hero MotoCorp sees life beyond Honda

www.businesstoday.in/coverstory: *The Big Shuffle* (September 4) is BT's annual ranking of India's Best B-schools

BT SCRAPBOOK

- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in

HOW TO CONTACT

BT

WRITE TO:
The Editor, Business Today, Videocon Tower, 5th Floor,
E-1, Jhandewalan Extension, New Delhi-110055.
E-mail: letters.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57,
Noida (U.P.) - 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900
(Monday-Friday; 10 am-6 pm) from Rest of India;
Toll free no. 1800 1800 100 (from BSNL/ MTNL lines);
Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

First on earth



ITC PRESENTS
THE GREENEST LUXURY HOTEL CHAIN IN THE WORLD
 WHERE EVERY HOTEL IS LEED® PLATINUM CERTIFIED.




ITC HOTELS
 RESPONSIBLE LUXURY

THE LUXURY COLLECTION

ITC MUGHAL*
AGRA

ITC WINDSOR*
BENGALURU

ITC GARDENIA**
BENGALURU

ITC KAKATIYA*
HYDERABAD

ITC SONAR*
KOLKATA

ITC GRAND CENTRAL*
MUMBAI

ITC MARATHA*
MUMBAI

ITC MAURYA*
NEW DELHI

LEED® (Leadership in Energy & Environmental Design)

* LEED Platinum Certified by U.S. Green Building Council

** LEED Platinum Certified by Indian Green Building Council

www.itchotels.in

5267-2011



Web Exclusives



Frozen Flavour Explosion

With another international chain set to open this month, speciality frozen yogurt stores might be India's new big thing. Dearton Thomas Hector interviews executives at Yogurberry and Cocoberry to find out why they are betting big on India, and what blockbuster flavours they want to introduce.

businessday.in/yogurt

Anarchy in the UK!

Kushan Mitra's first-hand account of the London riots and the global downturn.

businessday.in/london

A Call for Reform

B-school admission practices are out of date and don't allow schools to meet growing demand, argues K. Ramkumar in a guest column.

businessday.in/reforms

Blogs



Making Sense

Anand Adhikari analyses Team Anna's best management practices.

» businessday.in/anand



Book Bazaar

The organisers of the Kashmir lit fest had no choice but to postpone, says Debashish Mukerji.

» businessday.in/debashish



Word Mentality

Why do Indians say "on this side" and "your end", wonders Uma Asher in Indianism of the Week.

» businessday.in/uma



Occasionally Productive

The September 11 anniversary and iPads for parliamentarians, on Kushan Mitra's blog.

» businessday.in/kushan



Chatterati

The furore over pyramid schemes traps legitimate direct-selling companies, says N. Madhavan.

» businessday.in/madhavan

Start-up Today

Sunny Sen meets an artist who turned her passion for art into a business.

Taslima Khan explores the value of incubation in the second part of her three-part series on incubation centres.

businessday.in/startuptoday

Letter from the Editor »

businessday.in/editor

UTILITY TOOLS

> Risk Calculator

Analyse your risk tolerance and decide your investment approach.

> Tax Calculator

Find out how much tax you need to pay depending on your income and investments.

> Education Plan

Calculate and plan for your child's expenses.

ON MOBILE

Hot New Management Tip

Get a tip for the day every day, and participate in opinion polls through SMS on your mobile phone 24 hours a day.

SMS BTTIP to 52424

NOTE: Available with all cellular operators. Regular SMS charges apply.

ANSWER THE BT-ON-THE-MOVE QUESTION

Have we seen the last of Anna Hazare's hunger fasts?

Type "BTPOLL Y" for Yes.

Type "BTPOLL N" for No.

SMS to 52424

Readers can also participate in the poll at www.businessday.in
Powered by Zergo India
www.zergo.com

e-newsletter

Register for free and subscribe to *Business Today's* e-newsletter.
businessday.in

Read Now on

ZINIO: businessday.in/zinio

KINDLE: businessday.in/kindle

> Retirement Plan

Find out how to maintain your current lifestyle after retirement.

> EMI Calculator

Know how much equated monthly installment you will pay on your loan.

> Business Tips

Hot tips to keep you ahead of rivals in business.

A man with dark hair and glasses is shown from the chest up, looking upwards and to the left with a slight smile. He is holding a white paper airplane in his right hand, as if about to launch it. The background is a soft, out-of-focus light color.

Spark change in India. With the spark in you.

Share ideas for India's progress at

 www.sparktherise.com

We'll give grants to the winning ideas.*

Be the fresh thinkers of today, who make the India of tomorrow. Submit your ideas in the areas of **technology, transportation, infrastructure, energy, agriculture, rural development and social entrepreneurship** to sparktherise.com and see them spark change. It's a rare opportunity to help build the world you want to live in.

 **Mahindra**
Rise.

SONY
make.believe

The rebirth. LED TV

X-Reality high-performance picture technology revolutionises the performance of LED TV, so you get the most vivid colour, highest contrast & finest detail. With X-Reality, Sony LED TV is reborn with a new life that will turn entertainment into excitement.

LED BRAVIA

EX520 SERIES

- 46 (117 cms) • 40 (102 cms)
- 32 (81 cms)

Edge LED Picture Engine
X-Reality



Range starts from Rs. 47,900/-

EX420 SERIES

- 32 (81 cms) • 26 (66 cms)
- 22 (56 cms)

Edge LED Picture Engine
X-Reality

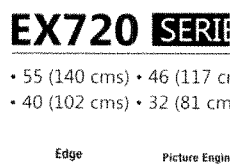


Range starts from Rs. 20,900/-

EX720 SERIES

- 55 (140 cms) • 46 (117 cms)
- 40 (102 cms) • 32 (81 cms)

Edge LED Picture Engine
X-Reality



Range starts from

LCD BRAVIA

BX320 SERIES

- 32 (81 cms)
- 26 (66 cms)
- 22 (56 cms)

BE-3
BRAVIA ENGINE

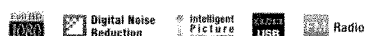


Range starts from Rs. 15,900/-

BX420 SERIES

- 40 (102 cms)

BE-3
BRAVIA ENGINE



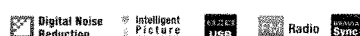
MRP Rs. 53,900/-

CX320 SERIES

- 32 (81 cms)
- 26 (66 cms)
- 22 (56 cms)

BE-3
BRAVIA ENGINE

LIGHT SENSOR



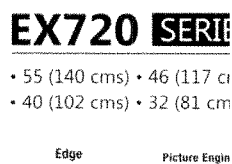
Range starts from Rs. 16,900/-

CX420 SERIES

- 40 (102 cms)
- 32 (81 cms)

BE-3
BRAVIA ENGINE

LIGHT SENSOR



Range starts from

Special Finance Offer* on BRAVIA

Finance with Zero Processing Fees through:

BAJAJ FINSERV LENDING

10/2* 12/4* 18/4*

No Processing Fees* No Interest Cost*

*Contact Finance Co./Banks for coverage /network area.
*Conditions apply. Finance at the sole discretion of the financier.
MRP inclusive of all taxes. Quoted MRP is for 1 unit of the product.

Attractive EMI Offers* on Select Credit Cards

CREDITCARD
HDFC BANK
We understand your world

citibank

BRAVIA

Powered by
Picture Engine
X-Reality



3D LED BRAVIA



NX720 SERIES

Monolithic Design

• 46 (117 cms) • 40 (102 cms)

Dynamic Edge
LED

Picture Engine
X-Reality



skype WEB YouTube
Browser

Rs. 57,900/-

Range starts from Rs. 93,900/-

Bunchin Stand sold separately.

HX925 SERIES

Monolithic Design

• 55 (140 cms) • 46 (117 cms)

Intelligent Peak
LED

Picture Engine
X-Reality PRO



skype WEB YouTube
Browser

Range starts from Rs. 153,900/-

Bunchin Stand sold separately.

LCD BRAVIA



CX32D SERIES

• 32 (81 cms)

BE3
BRAVIA ENGINE

Built-in
DVD
Player



USB FM Radio

Rs. 37,900/-

40W
RMS

Digital Noise
Reduction

Intelligent
Picture
Engine

USB FM Radio

MRP Rs. 40,900/-

NX520 SERIES

• 40 (102 cms)
• 32 (81 cms)

Monolithic
Design

BE3
BRAVIA ENGINE



40W
RMS

Digital Noise
Reduction

Intelligent
Picture
Engine

USB FM Radio

Range starts from Rs. 40,900/-

CX520 SERIES

• 46 (117 cms)

Picture Engine
X-Reality



40W
RMS

Digital Noise
Reduction

Intelligent
Picture
Engine

USB FM Radio

MRP Rs. 73,900/-

To locate nearest dealer: SMS** <BRAVIA> space
<LOCATION/PIN CODE> to 53636

or

visit
www.sony.co.in/dealerlocator

For sales and service queries, call 1800-103-7799
(Toll free from all landline & mobile phones)

E-mail us at sonyindia.care@ap.sony.com

Ph : 66006600 For corporate enquiries e-mail at b2bindia@ap.sony.com

www.sony.co.in

QAMAR SIBTIAN



Jail House Rock: Former Samajwadi Party leader Amar Singh, after being arrested in the cash-for-votes scandal. He joined a growing band of VIPs in Tihar Jail: former telecom minister A. Raja and DMK leader Kanimozhi, both accused in the 2G spectrum scam, former Jharkhand Chief Minister Madhu Koda and Commonwealth Games chief Suresh Kalmadi.

Corporate

The Union Cabinet has cleared the **draft National Land Acquisition and Rehabilitation & Resettlement Bill, 2011**, designed to replace the antiquated Land Acquisition Act, 1894. A new law became imperative after a spate of agitations across the country over issues related to land acquisition and compensation. *See also page 16*

Tata Motors' Group CEO and MD Carl-Peter Forster has quit due to 'personal circumstances'. At the request of the board, he has agreed to continue as a non-executive member. Prakash Telang, MD, India operations, and Ralf Speth, CEO of Jaguar Land Rover, will represent their operations on the board.

Fiat India will no longer sell its cars under the same roof as joint venture partner Tata Motors but **will set up its own showrooms** in 20 cities. In August, the joint venture sold 1,069 Fiat cars and 16,829 Tata cars.

Car sales are skidding ahead of the festival season. For the second consecutive month, top carmakers have reported lower numbers in August. Maruti Suzuki's sales were down 16.8 per cent on August 2010 to 77,086 units in August this year. Tata sold 16,829 units of the Nano, a drop of 33.25 per cent against the August 2010 numbers. Hyundai Motor India sold 26,677 units, down 6.7 per cent from 28,601 in August last year. The industry blamed high fuel prices, interest rates, and, in the case of Maruti, labour unrest. Honda Sael Cars, Toyota Kirloskar and M&M were among those which increased sales with the help of price cuts and launches. Honda increased sales of its City by 35 per cent to 5,819 units by cutting the price. In August 2010, it had sold 4,251 units. It is recalling 72,115 units manufactured between 2005 and 2007. *See also page 38*

The Comptroller and Auditor General, or CAG, has criticised **Reliance Industries for violating the production sharing contract** in its D6 block in the Krishna Godavari basin. The report criticised the oil and gas major for hoarding D6 exploration acreage despite lack of rigs. RIL may have to surrender a quarter of the total area and pay \$200 million as penalty. The offshore KG basin was expected to meet a quarter of India's natural gas requirements, but lower-than-expected production has left the nation more dependent on expensive, imported LNG to fuel power and fertiliser plants.

The CAG has also criticised the civil aviation ministry and **Praful Patel** for the decision to buy 111 aircraft worth \$46,548 crore for Air India and concluding pacts favouring foreign carriers, when Patel was heading the ministry. It has also criticised the manner in which AI and India Airlines were merged.

In the latest ultimatum to Switzerland's banks, the US has demanded details of its citizens with accounts worth at least \$50,000 between 2002 and 2010 in these banks. The US suspects the Swiss bank accounts are being used to avoid tax. Last year, the US forced Swiss bank UBS to reveal the details of around 4,450 clients. This time, its targets are Credit Suisse and nine other smaller Swiss banks. Switzerland has a \$2 trillion offshore financial industry.

The US jobs growth has hit another low, stagnating in August at 9.1 per cent. Even if the US Federal Reserve Chairman Ben Bernanke cuts borrowing costs, his new stimulus measures may not help the 14 million unemployed Americans.



Amazon, the world's biggest online store with revenues of \$34 billion in 2010, is planning its own tablet. It will be priced at around \$250. It is also redesigning its web site, emphasising its digital goods over physical ones.

Yahoo's board fired its chief executive, Carol A. Bartz, for failing to deliver results. Bartz turned over Yahoo's search operations, drawing 600 million visitors, to Microsoft, but the deal failed.

Economy

GDP growth is likely to be in the region of 7.5-8 per cent in 2011/12, said Moody's Investor Service in its latest annual sovereign report. Inflation could slow down to about seven per cent. The rating agency has not changed the country's sovereign credit outlook. *See page 14*



At least one business school is planning to make **Anna Hazare's movement** against corruption a **case study**. XLRI School of Business and Human Resources will look into various aspects of the movement, particularly Hazare's leadership.

Politicians of two states that pride themselves on economic development are mired in corruption cases. In **Andhra Pradesh**, former Chief Minister Y.S. Rajasekhara Reddy's son Jaganmohan Reddy is trying to explain to the Central Bureau of Investigation his sudden rise in wealth. In **Karnataka**, former Bharatiya Janata Party minister Janardhana Reddy was arrested on charges of illegal mining.

India has cleared off the \$5 billion it owed Iran for petroleum purchases, using a Turkish bank. *BT* first reported (July 24) how the payments got stuck when the usual route was blocked.

49%

Dip in hiring by Indian IT and ITeS companies in August, compared to July, following the crisis in the US and Europe. But sectors such as FMCG, banking, telecom and automobiles stepped up recruitment by 14 per cent, compared to July, according to a survey by MyHiringClub.com

2.8 million

The number of high net worth individuals, or HNIs, in Asia, a rise of 140 per cent, by 2015. HNIs are those with investible assets of \$1 million or more, excluding their first homes. Key sectors to benefit from this prosperous club include asset management, autos, consumer goods, healthcare, leisure and property, according to the latest report from CLSA Asia-Pacific Markets.

Markets

The Reserve Bank of India has come to the **rescue of borrowers who wish to prepay home and car loans**. Following its advice, banks have agreed not to levy prepayment penalties on floating rate loans. These charges are sometimes as high as five per cent of the loan amount. The removal of penalty gives customers the freedom to shift loans to other banks if they get better interest rates.

ONGC is about to sell five per cent or up to 426.77 million of its shares via a follow-on public offer, or FPO, on September 20. Originally, the FPO was planned in the financial year 2010/11, but was deferred to April 5, 2011, as the company did not have the number of independent directors required, according to the listing rules of the market regulator. After the FPO, the government's stake in ONGC will shrink to 69.14 per cent from the present 74.14 per cent.

Coming Up

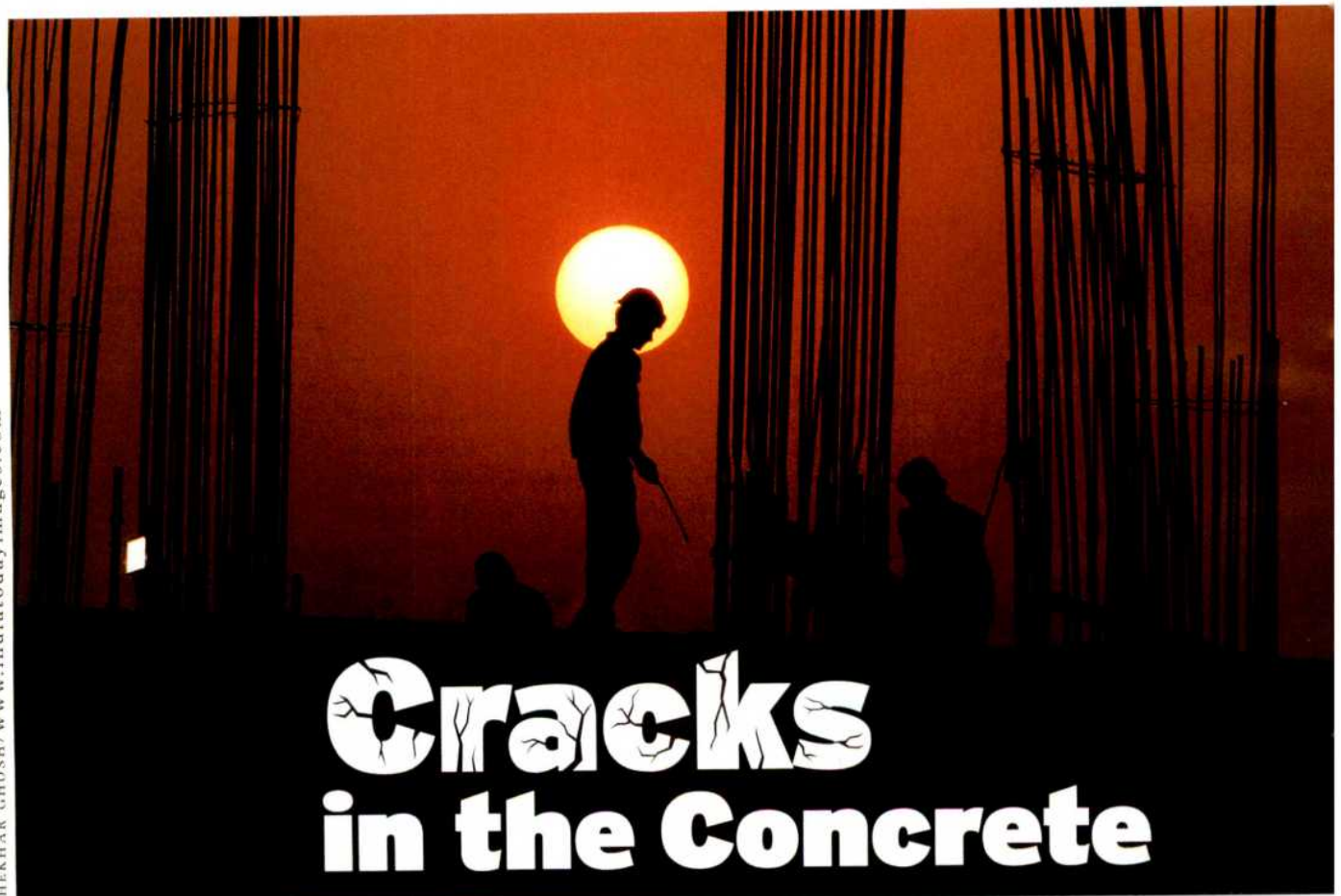
The new manufacturing policy, which plans to usher in mega manufacturing industrial zones and help create 100 million jobs, is taking final shape. The policy aims at increasing the share of manufacturing from 16 per cent of GDP at present to 25 per cent by 2025. The Centre for Monitoring Indian Economy has modified its earlier forecast of 34.2 per cent rise in profit of this sector for the quarter ended September 30. Now it expects profit to fall by 5.7 per cent.

Say goodbye to pesky calls: The Telecom Regulatory Authority of India's new norms will be effective from September 27. Telemarketing firms that call or text reluctant consumers may have to pay fines up to ₹2.5 lakh.



FOCUS

16 The New Deal
17 Stringent Norms
26 Indian Banking Scenario
28 Straight vs Queer



SHEKHAR GHOSH/www.indiatodayimages.com

Cracks in the Concrete

The first quarter GDP number cloaks faultlines in the economy, especially in construction activity. By SANJIV SHANKARAN

Indian capital markets went into the last weekend of August fearing the worst. The Bombay Stock Exchange's benchmark index, Sensex, touched an 18-month low of 15,848 on Friday, August 26, ahead of the announcement of gross

domestic product, or GDP, numbers for the April/June quarter on August 30. But the data proved to be better than expected, thereby buoying the markets, lifting the Sensex by a whopping 828 points in two trading sessions. The economy in the first

quarter of 2011/12 had grown 7.7 per cent over the corresponding period in the previous year.

But the excitement on the bourses did not find any echo elsewhere. The reason: sifting through the data showed the headline number could be misleading, and the country may well see earlier growth forecasts for 2011/12 being marked down, given the negative portents both at home and abroad.

Among GDP components, the data showed growth in construction activity had dropped precipitously. Construction activity in the first quarter of 2011/12 grew 1.2 per cent, noticeably lower than the range of 7.7 per cent to 9.7 per cent growth in the four quarters of 2010/11.

Pronab Sen, Senior Adviser in the Planning Commission, who was earlier chief of India's statistics apparatus, says the pace of infrastructure activity in the country first shows up in the growth rate of construction activity. The term construction activity in GDP data encompasses all types of construction and is derived primarily from the performance of cement and steel factories. If the pace of infrastructure activity has begun to ebb, "construction is where it will show up initially," says Sen.

N.R. Bhanumurthy, professor at the National Institute of Public Finance and Policy, who publishes macroeconomic forecasts, also says investment is declining. "Construction is a leading indicator of overall investment activity and also that of employment," he says.

Analysts abroad, though, seem more upbeat about India's economic prospects. Economist Intelligence Unit, or EIU, has forecast India will grow 7.9 per cent in 2011/12, but by next year the trajectory will trend upward again. It even says India's growth will outpace that of China's in 2013 and 2014. "Overall, I don't see big negatives," says Singapore-based Manoj Vohra, Head of Research, South/Southeast Asia & Australasia at EIU. "For now, we are not panicky on India."

Many analysts tracking India's macroeconomic data have begun to supplement macro data with feedback from the ground to get a sense of the economy. The volatility in official macro data and frequent revisions have led even the Reserve Bank of India, or RBI, to openly crib about quality of data. Indicators from the ground are not optimistic: they suggest the economy

may be shifting to a lower gear quicker than most analysts and the government expect. For now, the finance ministry has forecast 8.6 per cent growth in 2011/12 and RBI eight per cent, both of which are higher than most private sector forecasts.

In August, HSBC Markit's purchasing managers' index, or PMI, for the manufacturing sector in India was 52.6, the lowest since April 2009. Even the PMI for the services sector fell to 53.8 from 58.2 in July. "On the ground, the capital expenditure cycle has slowed significantly," says Munish Dayal, Partner at Baring Private Equity Partners (India). "Infrastructure projects have issues and you have large components of the economy that look like they are under some stress."

The stress has been largely created by 11 policy rate increases of RBI since March 2010, which has taken the repo rate, the rate at which banks borrow from RBI, from five per cent to eight per cent. The rate increases are the primary tool used by RBI to beat down inflation, which averaged 9.65 per cent in 2010/11 and remains above nine per cent. RBI's current assessment is that the threshold level of inflation in India is four to six per cent. Beyond this level, medium-term economic growth is undermined. The country may not have seen the last of the rate hikes.

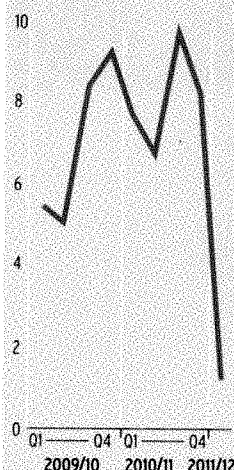
The combination of domestic factors, and the dent in confidence being transmitted through companies with an exposure to developed markets, has business jittery about committing to long-term investments. "Anybody looking to raise capital for long-dated investments will want to postpone it," says Raj Majumder, Founder & CEO, Auroch Investment Managers. Majumder is keeping a close eye on Europe, a region he knows well thanks to a stint there with Goldman Sachs.

"Anybody with exposure to the Organisation for Economic Cooperation and Development, or OECD, has become bearish," he says. The Paris-headquartered OECD has 34-member nations, most of which are European.

In the backdrop of negative portents, September will provide important economic cues for the economy, including RBI's mid-quarter policy announcement, and signs from the US Federal Reserve and Europe's politicians on what the future holds.

GRIM REALTY

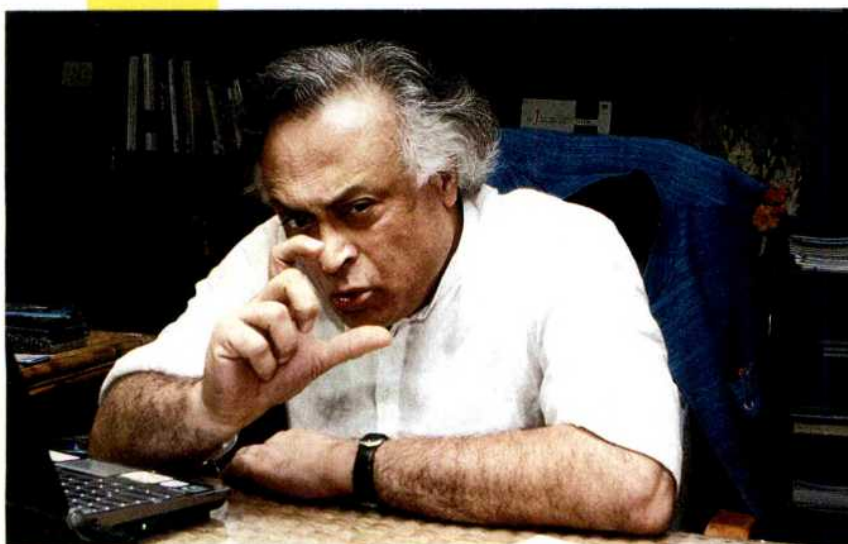
As the slowdown intensifies, growth in construction activity sees its lowest level in over two years



Figures in %
Source: Central Statistics Office

The New Deal

Finally, the draft Land Acquisition and Rehabilitation and Resettlement Bill, 2011 is in Parliament. It could be voted on in the winter session in December. Bearing the stamp of Rural Development Minister **Jairam Ramesh**, it differs from the earlier draft in several respects.



YASHWANT NEGI

"I AM A POLITICAL ANIMAL. THIS BILL IS AS MUCH ABOUT LAND ACQUISITION AS ABOUT POLITICS."

"The entire credit for this should go to Rahul Gandhi. It was he who not only gave broad principles for the Bill, but also met the Prime Minister and talked to various people to impress upon them the urgency of introducing the Bill in this session."

"The underlying assumption is that the social benefit of the Bill will far outweigh the economic costs."

"When you are trying to bring about balance between different objectives, you always negotiate to everyone's advantage."

HERE'S HOW

ISSUE: Minimum compensation

POSITION IN JULY DRAFT: Six times market value in rural areas; twice the value in urban areas

POSITION IN BILL: Four times market value in rural areas; twice the value in urban areas

TRIGGER FOR CHANGE: Concern that it would impose heavy burden on industry

ISSUE: Acquiring multi-crop irrigated land

JULY DRAFT: Prohibited

BILL: Allowed for "linear" projects such as railways and highways

TRIGGER FOR CHANGE: Linear projects need contiguous strips of land

ISSUE: Definition of public purpose

JULY DRAFT: Broad definition

BILL: Definition tightened and power of eminent domain to apply only for government's own acquisitions

TRIGGER FOR CHANGE: Removes ambiguity by committing to specifics

ISSUE: Allowance made for states

JULY DRAFT: None

BILL: States can enact their own laws provided these do not contradict Union law

TRIGGER FOR CHANGE: Land acquisition is in Constitution's Concurrent List; Bill adopts decentralised approach

ISSUE: Change of purpose after acquisition

JULY DRAFT: Does not address issue

BILL: No deviation from Land Use plan submitted during acquisition

TRIGGER FOR CHANGE: Allowing the government to change goal posts mid-course gives it unwarranted discretionary power

SAMSUNG

IT'S TIME TO Tab



IT'S TIME FOR A BETTER TABLET.

Samsung GALAXY Tab
750

Faster. Smarter. Better.
Experience with Vodafone 3G.

Great data offers on Vodafone 3G.

power to you





SAMSUNG



Experience the new
Samsung GALAXY Tab₇₅₀

People, it's time for a better tablet. It's time to Tab. Time for sharper pictures and better details. Time for a better HD quality screen, better graphics and superior gaming performance. Time for better conference calls and presentations. Time to access millions of web pages with flash. Time to view, share & create.
Samsung Galaxy Tab 750 - More possibilities on the go!

Better Design

Ultra Slim 8.6 mm
Larger and Brighter Display

Better Performance

Flash Player
USB On-The-Go
HSPA+ 21 Mbps

Better Multitasking

1 GHz Dual Core Processor
Complete Office Solution

Available at Samsung Smartphone Cafes, Samsung Exclusive Outlets and other select outlets.
To find your nearest outlet, SMS **TAB** to **56886** or call **Samsung Helpline No. 30308282/1800110011** (Toll Free).

Also available at

THE MOBILESTORE

croma
The Electronics Warehouse

Reliance digital
Electronics, Appliances, Computers, Gaming, Telecom

ezone
Electronics, Computers, Gaming, Telecom

JUMBO
ELECTRONICS

UniverCell
The Mobile Store

HyperCITY
There's more to discover!

www.samsung.com/in/galaxytab

Stringent Conditions

The draft norms for new banking licences leave little room for manoeuvre. By MANU KAUSHIK

TAKING STOCK

INDIA'S STOCK MARKET HAS BEEN THE SECOND-WORST PERFORMER IN ASIA THIS YEAR

13.51%

The fall in India's benchmark index Sensex this calendar year up to September 5, 2011.

25.30%

The slump in Bangladesh's General Index this year, making it the worst performer in Asia.

₹1,214 K CRORE

The erosion in the value of investor wealth in India so far as a result of the market slump.

₹1,723 CRORE

The value of the shares bought by foreign institutional investors in the Indian market this year.

Note: Figures have been rounded off

What's proposed? The Reserve Bank of India, or RBI, recently issued the draft guidelines it would follow while giving new banking licences to private players. The draft follows an RBI discussion paper last year, seeking views from banks, non-banking finance companies, or NBFCs, industrial houses and the public, on the matter. Broadly, it makes groups which have successfully run businesses for at least 10 years – and with not more than 10 per cent of their revenues or assets in real estate and broking businesses in the last three years – eligible for licences. They should have a minimum paid-up capital of ₹500 crore, with foreign holding below 49 per cent. New banks can be set up only through wholly-owned non-operative holding companies, or NOHCs. The RBI will seek views on the draft until October 31, after which final guidelines will be issued.

What will change? Currently, India has 27 public sector banks, 22 private sector banks, 31 foreign banks, 86 regional rural banks, and 2,123 cooperative banks of various kinds. The move will open the gates for a large number of industrial houses and companies such as Aditya Birla Group, Tata Capital, Reliance ADAG, Bajaj Group, SKS Microfinance, and Shriram Finance, which already have NBFCs and have been eyeing banking licences, thereby increasing competition and fostering better quality service.

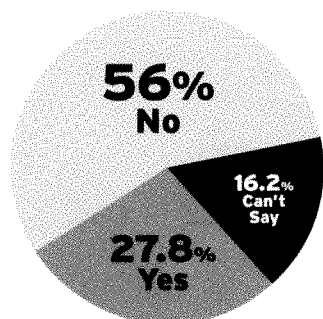
Pros: The idea behind the NOHC, which will hold the bank and other financial services of a group, is to demarcate the financial services of the group – which are overseen by regulators – from its other activities. The NOHC will hold at least 40 per cent of the bank's paid-up capital with a five-year lock-in. Experts believe these steps will prevent systemic risk and attract only serious long-term players. "The RBI's cautious approach is a positive step from



the customers' point of view," says Shachindra Nath, Group CEO, Religare Enterprises, which is also keen to enter banking. To ensure a high level of corporate governance, NOHCs should have at least 50 per cent of their boards made up of independent directors.

Cons: The draft requires new banks to meet the same priority sector lending targets existing domestic banks have to follow – 40 per cent of their loans should go to agriculture, rural, small and medium enterprises, and micro-lending sectors; they should open at least 25 per cent of their branches in rural areas – villages with a population of less than 10,000; they should list themselves on stock exchanges within two years of obtaining their licences, and more. Market observers say the purpose behind setting up new banks is to promote greater financial inclusion, and enforcing the norms set for old banks on them will not serve the purpose. RBI should give some leeway to the new players to come up with novel solutions on the key issues banks confront.

CAN THE NEW MANAGEMENT REVIVE AIR INDIA?



Results of BT online poll;
No. of respondents: 127

A majority of respondents was pessimistic about the new management making any difference. This is hardly surprising considering past experience: the more things have changed at Air India, the more they have remained the same. Very few expect much from the new CMD, Rohit Nandan.

Like his predecessor Arvind Jadhav, he is also an IAS officer. In fact, he is the third bureaucrat to head Air India in the last four years. A root cause of all the problems at the national airline has been perpetual political interference. Like his predecessors, Nandan may find that difficult to overcome.

Next poll question:
Do you expect a reworked Lokpal Bill to be passed in the winter session?

Log on to
www.businesstoday.in

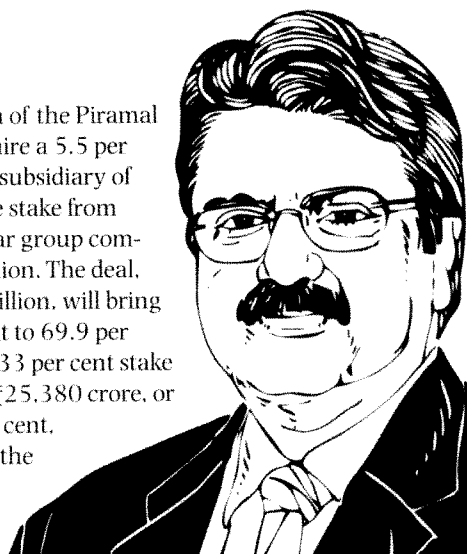
BT-ERNST & YOUNG

DEAL WATCH

BIGGEST DEALS IN THE PAST 30 DAYS*

Ajay Piramal

Piramal Healthcare, the health care arm of the Piramal Group, has signed an agreement to acquire a 5.5 per cent stake in Vodafone Essar, the Indian subsidiary of UK-based Vodafone. Piramal will buy the stake from ETHEL Communications Holdings, an Essar group company, for ₹2,912.5 crore, or \$631.1 million. The deal, which values Vodafone Essar at \$11.6 billion, will bring down Vodafone's stake in the Indian unit to 69.9 per cent. In March, Vodafone had bought a 33 per cent stake in Vodafone Essar from Essar group for ₹25,380 crore, or \$5.5 billion, raising its stake to 75.3 per cent, more than the 74 per cent cap on FDI in the telecom sector. This deal is in line with Piramal's diversification plans and marks its entry in the telecom sector.



RAJAT BARAN

TARGET	ACQUIRER	INDUSTRY	TYPE	DEAL VALUE (₹ CR)	STAKE (%)
Vodafone Essar	Piramal Healthcare	Telecom	Investment	2,912	5.5
Wockhardt's nutrition business	Groupe Danone SA	Pharmaceuticals	Acquisition	2,538	100
Golden Energy Mines	GMR Energy	Metals & mining	Acquisition	1,637	100
Manyata Promoters	The Blackstone Group	SEZ	Private equity	923	37
Bengaluru International Airport	GVK Power & Infrastructure	Airports	Investment	622	Na
Western Cluster	Sesa Goa	Metals & mining	Acquisition	415	51
On-Line Support Incorporation	Hinduja Global Solutions	Retail and consumer products	Acquisition	359	100
Avantha Power & Infrastructure	Kohlberg Kravis Roberts & Company	Power and utilities	Private equity	346	11
Amtek Auto	Amtek Auto	Automotives	Acquisition	292	NA

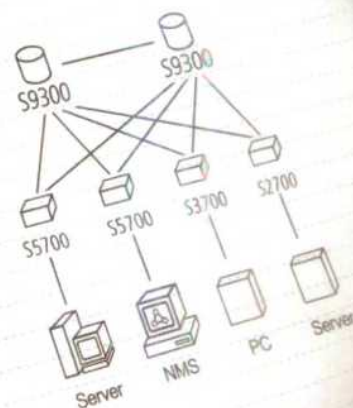
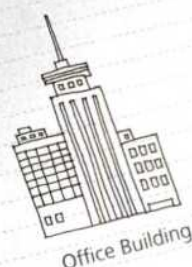
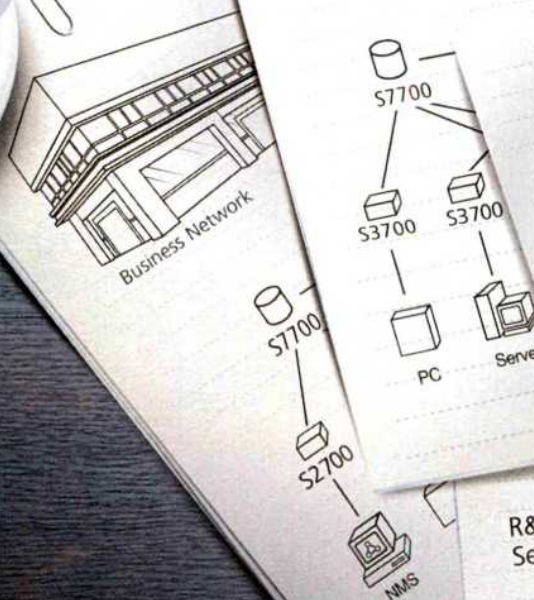
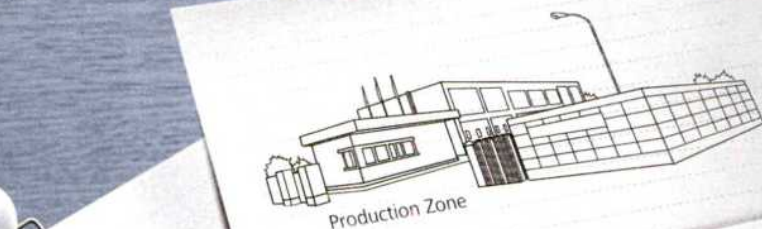
Ernst & Young is a leading M&A advisor in India. The data is based on media reports and company announcements. Any decision on the basis of this information should be taken only after professional advice. *Business Today* or E&Y do not undertake any responsibility with regard to any such decision

*August 1 to August 29, 2011

Not a complete list

Huawei S9300/S7700/S6700/S5700/S3700/S2700/S1700 Enterprise Intelligent Ethernet Switches

Professional Networks Take IT Easy



Take IT Easy

Today, enterprise IT systems are up against a complex array of applications needed to control production, R&D, operations and sales. So, Huawei stepped up and innovated a new generation of Enterprise Intelligent Ethernet Switches such as S9300/S7700/S6700/S5700/S3700/S2700/S1700 based on their patented united VRP software platform.

These will meet your various business requirements for different networks including wireless, video, audio and digital applications.



www.huawei.com/enterprise



mail: PartnerIndia@huawei.com, Customer Care: +91-9953591484 (Mon. - Fri. 9:30 am - 6:00 pm) Address: Gurgaon Huawei Telecommunication (INDIA) Co., Pvt. Ltd, 14th Floor, Tower C, Unitech Cyber Park, Sector - 39, Gurgaon, Haryana - 122002 India. Mumbai: 9th Floor, Vishwaroop, IT Park, Near Vashi Station, Vashi, Navi Mumbai, India. Huawei Enterprise Business Distributor: Redington India Ltd. Centre Point, Plot No. 9 & 11, Deemed Road, (CN) Thiruvananthapuram, Kerala - 695 001 India.

"Crisis leads to inward thinking, but protectionism is counter-productive as it deepens recession."

Anand Sharma, Minister of Commerce and Industry, speaking to a delegation of US and German lawmakers, quoted by agencies



"Banking sector is not growing fast enough to accommodate the growth of our corporates. It's very important that we have bigger banks that support our economy."

Naina Lal Kidwai,
Country Head, HSBC India, in Mint

"ONCE THERE WERE 10 BIRLAS IN BIRLA BUILDING. NOW, ONLY I AND BASANT KUMAR BIRLA ARE THE TWO REGULARS."

S.K. Birla, commenting on the end of the K.K. Birla brand, in The Times of India

"Food inflation has gone up... We shall have to ensure and remove the supply constraints on food items."

Pranab Mukherjee, Finance Minister, on food inflation touching 10.05 per cent, quoted by wire agencies

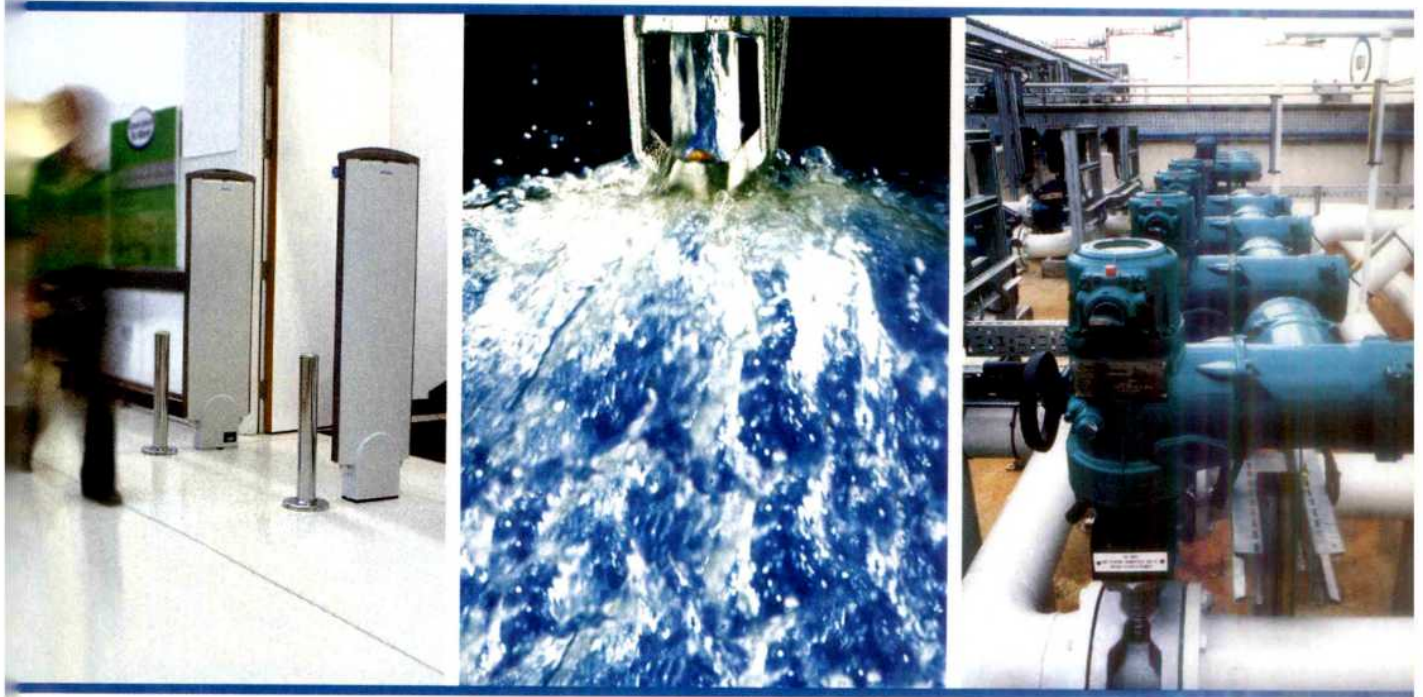


CLASSIC
BUSINESS
QUOTE

"Wall Street is the only place that people ride to in a Rolls-Royce to get advice from those who take the subway."

Warren Buffett,
Chairman, Berkshire Hathaway

\$17 billion in annual revenue,
100,000 employees,
1000+ products and services,
60 countries,
3 business segments,
1 global company.



Tyco offers the products and services the modern world needs to grow. Our work has spanned the globe and our products have been used in some of the most challenging locations. We serve to an incredibly wide range of the many diversified needs of businesses, governments, educational institutions, and industries ranging from retail and commercial, food and beverage and infrastructure to oil and gas, power and mining.

Come build your company's future with Tyco as your partner.

To know how Tyco is making a difference, visit www.tyco.com or e-mail us at tycoindia@tyco.com

SECURITY SOLUTIONS | FIRE PROTECTION | FLOW CONTROL

tyco

a vital part of your world

What's in a Logo?

Companies are spending huge sums on logo change and rebranding. What do they achieve? By ANAND J

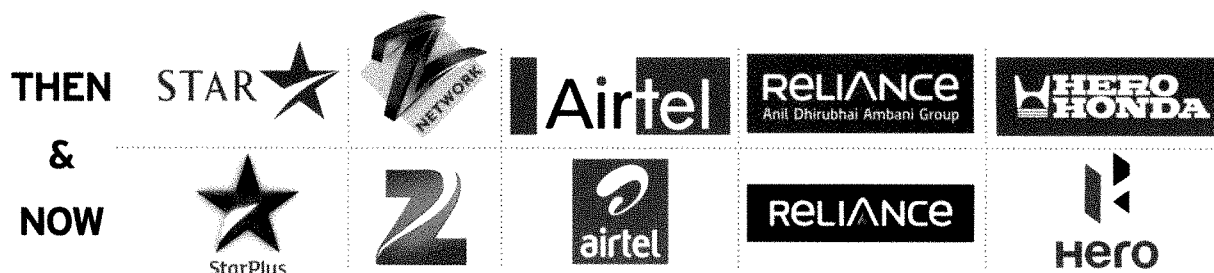
■ "Why 72? And why so fat? It seems to me a logo for '70s TV channel. Anyways, best of luck with the new look!"

■ "An act of blatant copying. Absolutely disgusting when a big group like Zee comes down to such lowly acts. The streak in Star's logo has been converted to a reverse streak in Z of Zee. Poor guys. It sucks."

These were just two of the more than a score remarks posted by readers in the "Comments" section linked to a news item on a portal announcing the launch of a new logo and tag line for Zee Network in June. A majority of comments criticised the new logo for one reason or another. The new logo with its aqua blue colour and the letter "Z" with an upward flourish was meant to convey modernity, freshness and

Some of the other big companies which went for a logo change in recent times are Airtel and STAR Plus. The trend may grow with the mergers and acquisitions activity picking up in the country.

Logo changes are a costly affair and are usually done as part of a group or company's rebranding exercise, the cost of which for the bigger companies is around ₹150 crore. Airtel spent around ₹340 crore on its corporate restructuring and rebranding exercise after it went global with its acquisition of Zain Africa. The cost of designing a logo is less than a crore, with advertising taking up the lion's share. Ogilvy & Mather, Landor Associates, Leo Burnett and Bonsey Design are some of the global agencies that Indian companies turn to for their rebranding exercise. Closer home, it is Shining Consultants.



progress. "The unshackling of the 'Z' from the box symbolises the modern woman's zest for life and the confidence she possesses to step out into the world, beyond her home," was how Punit Goenka, Managing Director and CEO of Zee Limited had put it. Clearly, these readers did not immediately see or like what Zee wanted to convey through the new logo.

In August, Hero MotoCorp unveiled its new logo, an isometric "H", amidst much fireworks, fun, and fanfare in London. It sought to announce its new status and ambitions – global – after the divorce from Honda. Earlier, the much-diversified Reliance Anil Dhirubhai Ambani Group rechristened itself as Reliance Group and dropped the line "Anil Dhirubhai Ambani Group" under its red and blue logo to convey a "strong, consistent identity", according to Sanjay Behl, Head of Brand & Marketing, Reliance Group.

Do logo changes achieve anything? STAR went for a logo change last year after it was displaced from the No. 1 position by Colors. It also revamped its prime-time shows in sync with its new tag line of "Rishta Wahi, Soch Nayi". It has regained its top position among Hindi general entertainment channels, or GECs. Did the logo change do the trick for STAR? "People build trust into visual images and the impression is built in a nano-second," says Harish Bijoor, a brand consultant, adding: "The cost of not changing a logo is far more than changing it."

On the other hand, the effect of the rebranding and logo change on Zee, which is at the fourth position currently among Hindi GECs, may not be apparent immediately. Says Lulu Raghavan, Country Director of Landor Associates: "People will understand the logo over time, but the challenge is to be distinct and relevant."



751 SERVICE POINTS.* FOR SERVICE AT ANY POINT.

THE MAHINDRA NAVISTAR SERVICE NETWORK.

Trucks that outperform need to be backed by service that outperforms. Just why a nationwide service network was put in place even before the Mahindra Navistar trucks rolled out. Just in case you need help, it will be just minutes away.



* No. of service network points currently and growing by the day

35 NEW HCV DEALERS
22 LCV DEALERS
220 AUTHORISED SERVICE CENTRES
474 ROAD SIDE ASSISTANCE POINTS

Call: 020-2747 3600, 1800-200-3600 (TOLL FREE), Now-24x7 Expert On Call.
SMS 'MNAL' 57575. Customer care: now24x7@mahindranavistar.com.


now
1800-200-3600 / 020-27473600
24X7 EXPERT ON CALL

The Mono
HP LaserJet Aio
PAYS

for **ITSELF** in 2 months.

After that,
it **PAYS YOUR BUSINESS.**



HP LaserJet M1136 MFP.

MRP ₹ 10,499/-

Print, Scan, Copy

- Print speed: Upto 18ppm – Print & Copy
- Copy: Reduce Enlarge copy jobs from 30 to 400%
- **Energy Savings with Auto On/Off Technology.**
 - » Save upto 4 times with Instant-On Copy
 - » Standby: 3.2 watts, Powersave: 1 watt
 - » Energy Star qualified
 - » 1 year return to bench warranty.



HP LaserJet M1213nf/1216nf MFP.

MRP ₹ 16,499/- onwards.

Print scan copy and Fax.

- Print speed: Upto 18ppm – Print & Copy
- Network Ready, Scan to Fax/Mail
- Copy: Reduce Enlarge copy jobs from 30 to 400%. ID copy
- **Energy Savings with Auto On/Off Technology.**
 - » Save upto 4 times with Instant-On Copy
 - » Standby: 4.7 watts, Power save: 2 watt



HP LaserJet M1536dnf MFP.

MRP ₹ 24,999/-

**Print, Scan, Copy, Fax,
Network – 5-in-1 printer.**

- Print speed up to 26ppm. 128 MB RAM, 500 MHz Processor
- Automatic two-sided printing (Duplex)
- 35 page ADF, Flatbed scanner with 1200 dpi Optical resolution
- 1 year On-site warranty.

Energy Saving Features:

Save up to 3 times energy with HP Auto ON/Off and up to 4 times with Instant ON/copy technology

Discover value in your old printer with

HP LASERJET BUY BACK OFFER

Visit: www.hp.com/in/laserjetbuyback for more information.

Offer valid on select* HP LaserJet printers & scanners.

HIT PRINT
INTELLIGENTLY



When was the last time you bought something for your business that actually paid for itself? As the leader in business printing, HP has developed the only printing device your office will need. The mono **HP LaserJet AiO** prints crisp text and sharp images at high speeds while enabling you to save on energy, maintenance, resources and office space. Invest in HP LaserJet. It pays you back.*

Phone 1800 425 4999 (toll-free)
or 3030 4499 (from mobile prefix your STD code)
Visit www.hp.com/in/paysyouback
SMS 'LASER' to 56070

HP LaserJets

Search



HP LaserJet M175a/nw MFP.

MRP ₹ 32,299/- onwards

Print, Scan, Copy

- Print speed: Up to 16/4 ppm (blk/clr), A4
- Print Resolution: Up to 600 x 600 dpi with HP ImageREt 2400
- 128 MB RAM, 600 MHz Processor
- Duty cycle: Up to 20,000 pages
- Flatbed, ADF scanner with Up to 1200 dpi Optical resolution and Enhanced: Up to 19600 dpi
- Copy Resolution Black/Colour: Up to 300 x 300 dpi
- HP ePrint available (Only on network enabled model).



HP LaserJet CM1415fn/fnw MFP.

MRP ₹ 52,929/- onwards.

Print, copy, scan, fax, AIO multitasking supported.

- Print speed Up to 12/8ppm (blk/clr) A4.
- 160 MB RAM, 600 MHz Processor
- Duty cycle (monthly, A4) up to 30,000 pages
- 35 page ADF, Flatbed scanner with up to 1200 dpi Optical resolution.
- Copy resolution (black text) up to 600 x 600 dpi
- 1-year limited warranty.
- HP ePrint available.



REPLACE
YOUR OLD PRINTER

RECYCLE
TO CREATE A
GREENER WORLD

REWARD
SAVE MORE

BT RETRO
(MARCH 8, 2009)

Asia Races Ahead

THEN: As crisis-ridden companies across Europe and US back out of sponsorship deals with top football clubs, Formula 1 teams and global events, financially better off Asian firms are stepping in and talking big money. And it's not just Anil Ambani showing interest in buying the British football club Manchester City or the fraud-struck Satyam Computer Services becoming a major sponsor for the 2010 and 2014 FIFA World Cups in South Africa and Brazil, respectively.

The trend is catching on fast across India and rest of Asia. So, while Tata Consultancy Services has been roped in by Ferrari for Formula One, liquor baron Vijay Mallya's Kingfisher Airlines now sponsors Force India at the F1 Grand Prix. More recently, Sahara India and financial services firm Religare have been approached by soccer giants Manchester United for sponsorship after American International Group decided to not renew its shirt sponsorship contract with Man U.

NOW: Global sports advertising and sponsorships are today estimated at about \$15 billion. There has been no let-off in the trend. Pune-based Venky's acquired EPL team Blackburn Rovers in November 2010 for £23 million. Airtel is sponsoring the F1 Grand Prix (India 2011).

BEYOND MARGINS

India's banking industry has so far performed well. But there is scope for improving its productivity and profitability, says a FICCI-IBA-BCG study.

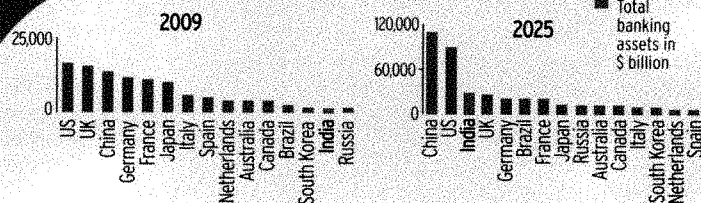
Graphic by Santosh Kushwaha

1 India's banking industry stands out for its relatively robust balance sheet and sound performance

Return on equity	Cost/income ratio	Price/book ratio	Bad debt/assets ratio
1 Turkey 19.6%	Indonesia 79.3%	Indonesia 3.6	Russia 2.4%
2			
3			
4			
5 India 15.3%		India 1.8	
6			India 0.6%
7			
8			
9			
10 India 47.3%			
11			
12			
13			
14			
15 Germany -0.8%	Singapore 40.1%	Germany 0.3	France 0.2%

The study compared Indian banks to those in Australia, Canada, China, Indonesia, France, Germany, Malaysia, Russia, Singapore, South Korea, Spain, Thailand, Turkey, and the US. Figures are weighted averages over 2007/2009

2 At the current rate of growth, the Indian banking industry will be the world's third largest by 2025



5 STEPS TO HERE

RELiance INDUSTRIES-
BP MARRIAGE

June 2008

Reliance Industries and British oil major BP Plc jointly bid for two deepwater exploration blocks in India.

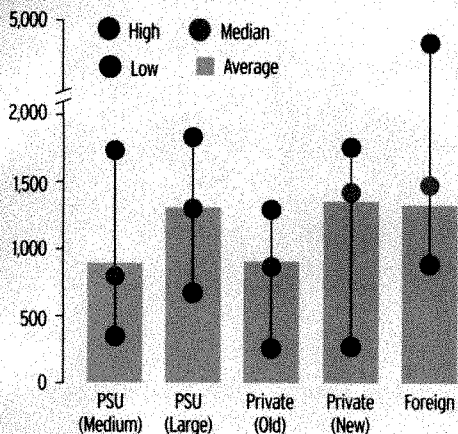


July 2010

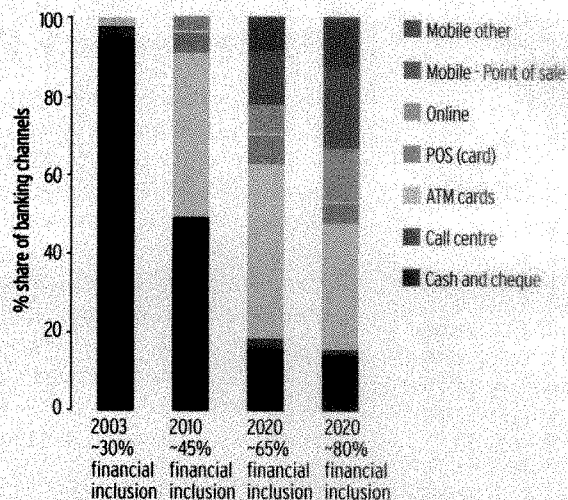
BP agrees to sell its onshore oil and gas fields in North America and Egypt to Apache Corp for \$7.2 billion.

3 But there is a lot of room for bank branches to generate higher levels of revenue

Number of savings bank accounts opened per branch in 2010/11

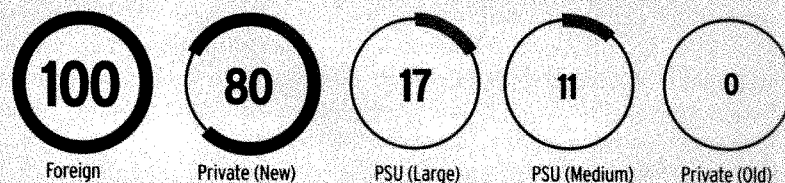


4 Banks investing in new channels ahead of the curve will emerge winners in near future



5 Process re-engineering and operating model change can help reduce costs and improve service

Percentage of banks with at least 25% of branches adopting re-designed processes



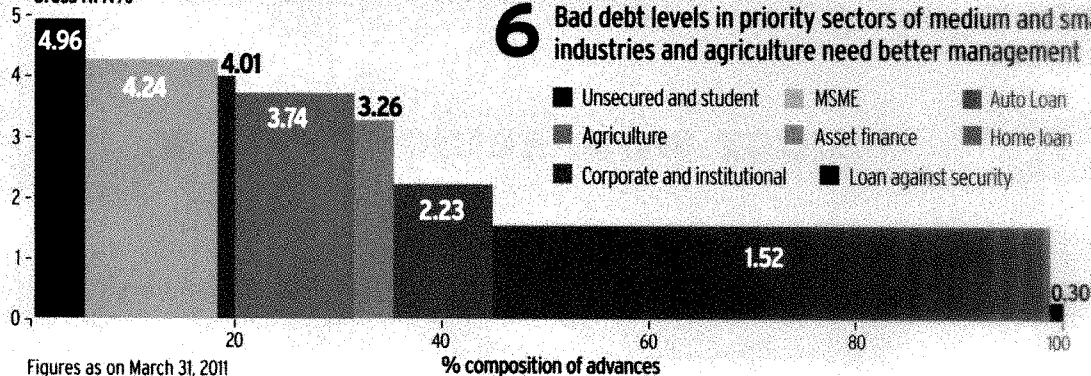
India industry average 26%

Figures as on March 31, 2011

Processes re-engineered

- ☒ Inward clearing centralised
- ☒ Outward clearing centralised
- ☒ Account opening centralised
- ☒ Cheque book issuance centralised
- ☒ Single window system in branch

Gross NPA%



Figures as on March 31, 2011

6 Bad debt levels in priority sectors of medium and small industries and agriculture need better management

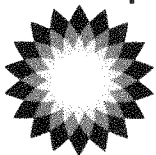
- ☒ Unsecured and student
- ☒ MSME
- ☒ Auto Loan
- ☒ Agriculture
- ☒ Asset finance
- ☒ Home loan
- ☒ Corporate and institutional
- ☒ Loan against security

Source: Federation of Indian Chambers of Commerce & Industry, Indian Banking Association, and Boston Consulting Group

bp

February 2011

BP agrees to buy a 30 per cent stake in 23 of RIL's oil and gas blocks for \$7.2 billion.



July 2011

The Cabinet Committee on Economic Affairs clears the sale of RIL stake in only 21 blocks.

August 2011

RIL announces closure of the \$7.2 billion deal and commencement of its strategic alliance with BP.

ANAMIKA BUTALIA

QUIRKY



Straight vs Queer

A 10-pm deadline for boys and girls visiting one another's hostels at IIT Bombay has the "straights" grunting in protest. They say the rule discriminates against heterosexuals since gays - belonging as they do to the same gender - face no such bar. Their anger also stems from the recent launch of a support group for LGBTQ (lesbian, gay, bisexual, transgender, and queer) on the campus. The straights have created a page, straight@IITB, on a social networking site to vent their feelings. Nearly 100 boys and girls have signed up.

SNOOT CORNER

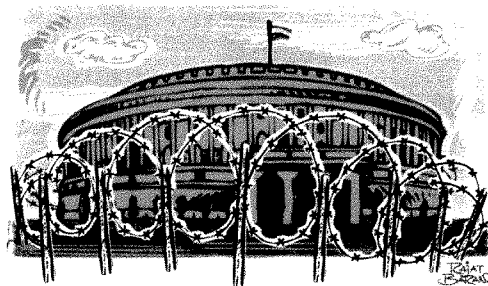
Pinned to Power

A tie denotes power, but it is really the tie clip or pin that gives the impression of being in control. Tie clips with chains were popular until the early 20th century; the chains have gone but tie pins have stuck around. They keep the tie secure and lend the wearer a smart look. A silver and gold tie pin or clip can add tonnes to one's personality. Tie pins are made of all kinds of light metals and often have decorative patterns, studded stones or other commemorative tokens on them.

HOW THINGS WORK

Parliamentary Privilege

Recently, parliamentarians cutting across parties moved breach of privilege motions in both the Houses of Parliament against some members of the core team of Anna Hazare's Jan Lokpal campaign. They took exception to the remarks made by the team members against politicians during Hazare's fast at the Ramlila Grounds, terming them "derogatory and defamatory". The move has fuelled debate over the parliamentary privilege. Here's a primer on the subject:



What is it: Parliament grants certain rights and immunities to its members, and disregard of any of these is termed a breach of parliamentary privilege and is punishable. The House also reserves the right to punish actions that may not breach any specific privilege but compromise its authority and dignity.

Moving a privilege motion: A breach of privilege, either of a member or of the House or its committee, is brought to the notice of the House by a member in the form of a motion. Lok Sabha's Rule 222 and Rajya Sabha's Rule 187 allow its members to raise a question involving a breach of privilege with the consent of the Speaker or the Chairperson, respectively. A notice to that effect has to be given in writing to the Secretary-General. A member can raise only one question relating to privilege in a sitting.

Hearing: The Speaker or the Chairperson can allow the privilege motion and let the member concerned make a statement, or refer it to the Committee of Privileges. The panel's report may be briefly debated in the House, after which the Speaker may pass final orders or direct the report to be tabled before the House. It must be passed through a unanimous resolution.

JUST WONDERING

Power Games

The bigger the project, the greater the chances of delay and controversy dogging it. Take the case of the 960 megawatt Thopan-Powari-Jangi hydro-power project in Himachal Pradesh. Ever since it was awarded to Dutch firm Brakel in December 2006 by the then Congress government, the project has run into one controversy after another. First, the Bharatiya Janata Party, or BJP, then in opposition, sought a federal inquiry into the contract. On coming to power, the party issued show-cause notices to Brakel questioning its ability to execute the ₹6,000 crore project. In November 2008, as soon as Brakel was finally allowed to start work, Anil Ambani's Reliance Infrastructure challenged the project award in the Himachal Pradesh High Court, accusing Brakel of submitting false documents. The court declared the project illegal and ordered its cancellation, causing the state government annual losses of ₹100 crore in royalty and ₹250 crore worth of free power. Last year it was rewarded to Brakel, and the new date for its completion is 2017.

COMPILED BY ANAMIKA BUTALIA



Thoughtful gifts double the celebrations.

The Sheaffer *Ink & Time* gift box is more than just a gift. It's an elegant way to make someone smile, twice.



SHEAFFER

The Gift That Matters

The Ink & Time gift box features the Sheaffer 300 Collection 9325 Ball Pen with a glossy black body and gold tone trim combined with a Table Clock.

WILLIAM PENN®

THE WORLD PEN STORE

For enquiries, call us toll free on 1800-102-7366 or write to us at info@williampenn.net

Visit our stores at - **Mumbai:** Grand Galleria, High Street Phoenix | Inorbit Mall, Malad | Inorbit Mall, Vashi

Bangalore: The Forum Mall | Garuda Mall, Magrath Road | Koramangala Store | Mantri Square • **Chennai:**

Express Avenue • **Delhi:** Select CITYWALK • **Pune:** Inorbit Mall • **Airport Stores:** Delhi | Mumbai | Hyderabad

Bangalore. For corporate enquiries, call Bangalore: 09686682031 | Delhi: 09310164936 | Mumbai:

09167210170 | Hyderabad: 09963426632 | Kerala: 08129437383 | Kolkata: 09903032137 | Chennai: 09962085085

Check Online: www.williamspenn.net | www.facebook.com/WilliamPennStores



GLOBAL CONVERGENCE

30
ANNIVERSARY
1980 - 2010

Enkay-India's only Integrated Converged Solutions Provider

Networking & IP Telephony Solutions



Structured Cabling



Switches and Wi-Fi



Servers and Storages



Enterprise Communication Server



Unified Communication Solution



Mobility and IP Dect

Enkay Technologies, India's only global converged solutions provider, brings to you the latest integrated corporate solutions. With over three decades of experience in converged solutions, we are equipped to understand the unique challenges of organisations in diverse industries like Hospitality, BFSI, Retail, Education, IT/ITES & Manufacturing. This enables us to offer tailor-made solutions to meet the varied needs of our clients, and help them achieve their business objectives. All this is supported by a staff comprising over 300 professionals, a team of 120 trained Service and Network Engineers & a country-wide network.

Today we are proud to have achieved milestones such as completion of 30 successful years in business, strong patronage of over 50,000 satisfied customers including top companies across all industries, one of the largest service network in the industry and strategic partnerships with Global Leaders in all our verticals, to name a few.

Contact us to know more about our customised converged solutions and how it has benefitted our clients over the years. Get the Enkay Advantage, today...

Technology Partners

NEC
Empowered by Innovation

SHARP

AXIS
COMMUNICATIONS

CRESTRON

NCR

VCON
Digital

SAFRAN
Maritime

3M
Digital Signage

Audio Visual System Integration Solutions



Integrated Boardrooms



Digital Signage Solutions



Audio Video Conferencing Systems



Video Wall Solutions



Point of Sale Terminals



Advanced Audio visual Control

Integrated Security Systems & Solutions



Perimeter Protection Systems



Baggage Scanners



Explosive Detectors



Entrance Control Systems



**Surveillance Systems
(CCTV, Access Control)**



Building Management Systems

24X7

ENKAY CARE
66268888

120 Engineers Pan India

Corporate Office:

Enkay Technologies (India) Pvt. Ltd.

Enkay House, Bhima Vaitarna Complex, Sir Pochkhanawala Road, Worli, Mumbai - 400 030

Tel: 022-66262222 Fax: 022-24942127 Email: ho@enkayindia.com Website: www.enkayindia.com

New Delhi: 011- 29807900 • **Bengaluru:** 080 - 25582442 • **Chennai:** 044 - 26681020 • **Hyderabad:** 040 - 65594526

• **Pune:** 020 - 40173888 • **Ahmedabad:** 079 - 26441491 • **Kolkata:** 033 - 24669704

The country's fashion industry is in the pink of health, if fashion weeks are any indication. The men's fashion week in early September was the latest in an industry calendar studded with city-specific events, couture weeks, and two big biannual events – Wills Lifestyle India Fashion Week and Lakme Fashion Week. What sets these apart from fashion weeks in London, Milan or Paris is how they are financed: through corporate sponsorship. This has created a peculiarly Indian ecosystem that nurtures not only designers and their labels, but also other lifestyle brands.

"The biggest high-profile events in India are cricket, Bollywood and fashion," says Rathin Vinay Jha, Founder-Director of the National Institute of Fashion Technology, or NIFT. "Be it watches, whisky or cars, a fashion event helps you get the right publicity." At last year's Lakme Fashion Week in Mumbai, car maker Skoda showed off its Yeti model. This year, Himalayan, a mineral water company, sponsored designer Wendell Rodricks' show of an organic line.

"Internationally, most fashion weeks are not sponsored," says Sumeet Nair, former Executive Director of the Fashion Design Council of India, or FDCI, and the driving force behind the first Lakme India Fashion Week in 2000. "Designers pay for everything – ramp, models, make-up, music and choreography. Indian designers cannot pay so much."

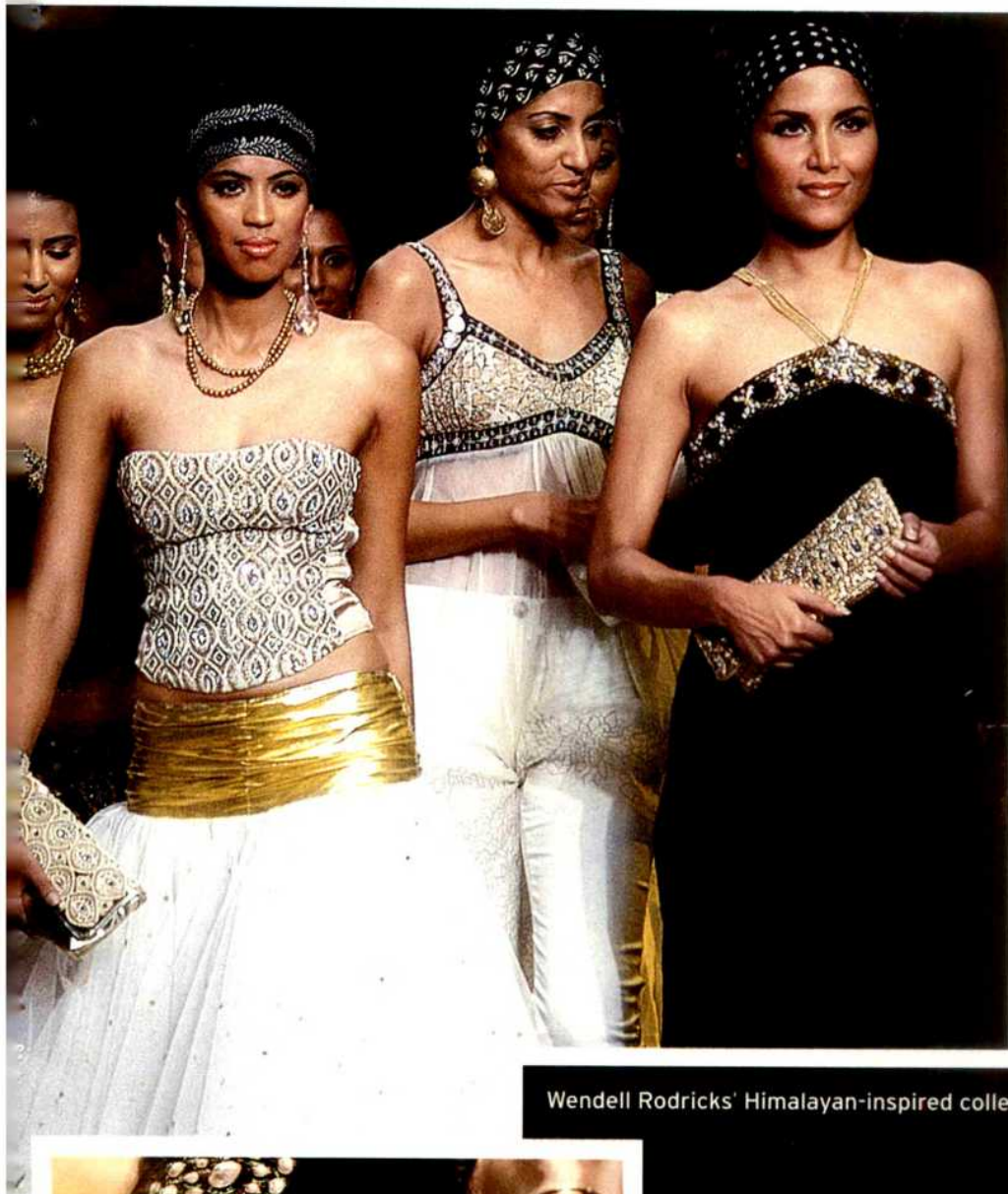
Thanks to sponsorship, the participation fee for designers is subsidised. Nair says designers showcasing their work in Paris could spend between ₹70 lakh and



In the black: Events cost ₹2 crore and up, so sponsorship is the main revenue source

Silken Purse Strings

Sponsored fashion weeks have spawned a uniquely Indian brand ecosystem. By ANUMEHA CHATURVEDI



SPOTLIGHT

The Indian designer wear market is pegged at **₹750-800 crore** and is growing at the rate of **25%**

~~~~~

Wills Lifestyle India Fashion Week is the biggest trade platform, with over **130** designers and **40** fashion shows per season

~~~~~

Lakme Fashion Week, Couture Week, Men's Fashion Week, and Bangalore Fashion Week are other highlights on the industry calendar

~~~~~

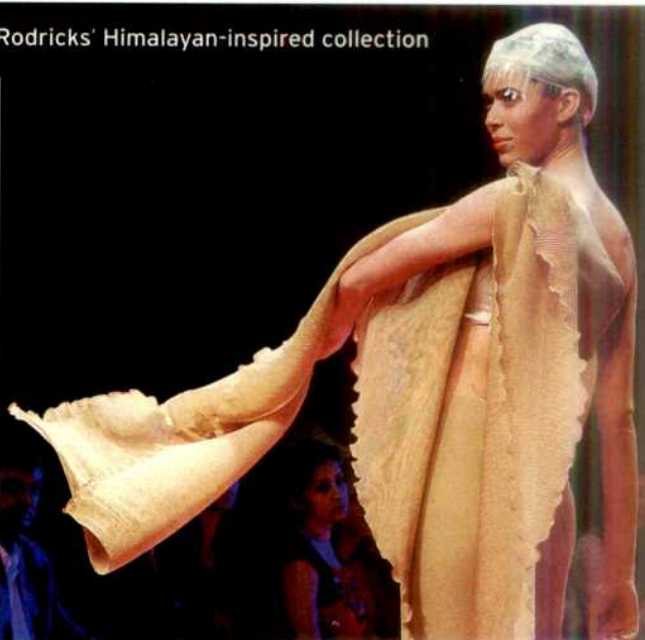
The number of buyers and designers is rising, but quality issues, and the lack of foreign buyers and a corporate structure for designers remain challenges

VIVAN MEHRA/www.indiatodayimages.com

Wendell Rodricks' Himalayan-inspired collection



Finishing touches: Backstage at Lakme Fashion Week



PHOTOGRAPHS BY UMESH GOSWAMI





Brands such as Lakme and Wills Lifestyle benefit immensely thanks to celebrity turnouts. There's constant brand recall

Deepika Govind, Designer

Because of its association with a men's fashion week, Van Heusen is perceived as a brand that brings fashion to the workplace

Ajay Ramachandran, COO, Van Heusen



An important development is the coverage of our event by Indian-language and regional media

Atul Chand, Head, ITC Lifestyle



₹1 crore for a show. "Here, they could pay between ₹1 lakh and ₹7 lakh."

Designers have also benefited in terms of brand-building and, of course, that stock-in-trade of fashion weeks worldwide – connecting with buyers. Lakme Fashion Week's winter festive edition in August had more than 91 designers and 200 buyers – a far cry from 2000, when there were just 28 designers. And it is not even the biggest event: Wills Lifestyle India Fashion Week, which also has summer and winter editions every year, has 40 shows every season, featuring more than 130 designers.

"My sales have risen 40 per cent every season," says model-turned-designer and Lakme Fashion Week participant Vijay Balhara. "Sales were ₹15 lakh at the summer edition. I'm expecting a 100 per cent jump after the winter edition." Pradip Hirani, owner of fashion retail chain Kimaya says: "Our orders at such events are increasing by 25 to 30 per cent year on year."

Even new names get noticed. London's tony Square boutique bought goods worth £20,000 from designers Sougat Paul, Nimish Shah and Raman Vij at Lakme Fashion Week this season. But experts caution

against making too much of foreign buyers. Sharad Mehra, Senior Vice President, Fashion and Apparel Operations at consulting firm Technopak, says international orders comprise only 20 per cent of business for Indian designers.

Nair concedes that sponsorship leads to trade-offs such as displaying sponsors' brands in the background. But, he says, this is acceptable, given that a fashion week could cost between ₹2 crore and ₹8 crore to organise. The biggest expenses are the venue, which may go up to ₹2.5 crore, and the model fee, which could vary between ₹2 lakh and ₹7 lakh per show. Sponsorship is the main revenue stream for organisers, he says.

For sponsors, fashion weeks are brand-building platforms. Bangalore-based designer Deepika Govind points out that brands such as Lakme and Wills Lifestyle have benefited immensely through such tie-ups. "They get exposure thanks to celebrity turnouts," she says. "There's constant brand recall." For instance, Wills Lifestyle, which became the title sponsor of India Fashion Week in 2006, launched the Wills Signature range in that year. Lakme launches a new line every six months, and unveils it

at Lakme Fashion Week.

Others are catching on. Two years ago, Aditya Birla Nuvo's Van Heusen apparel brand partnered with FDCI to launch India's first men's fashion week. Ajay Ramachandran, Chief Operating Officer, Van Heusen India, says that because of the tie-up, his brand is seen as one that brings fashion to the workplace.

The recently concluded Lakme Fashion Week had 11 associate sponsors. "Unless art and commerce meet, fashion cannot mean business," says Chandrashekhar Pitre, Senior Director, Marketing, at DHL Express, one of the sponsors.

More sponsors means bigger budgets. Atul Chand, Divisional Chief Executive of ITC's Lifestyle Retailing Division, says expenditure has increased 20 per cent over the past year. "Our event is covered by regional and Indian-language media," he adds.

Designer Tarun Tahiliani, who has his own couture week for bridal wear, says fashion weeks are still evolving, and need to be more design-centric. Govind adds: "We must have a quality barrier and benchmarking in place for admitting designers. Currently, it's more about sponsors and their visibility." ♦

# ANZ. Connecting your business across Asia Pacific.

Now open in India.

As one of the world's safest banks<sup>1</sup>, ANZ now brings to India a full range of Indian Rupee and foreign currency banking services and access to ANZ's expertise in natural resources, agriculture and infrastructure.

And with a 175 year history and a network of specialists across 28 key markets in Asia Pacific, you can benefit from our experience and insights to grow your business.

For more information, please visit us at [anz.com/india](http://anz.com/india)

We live in your world **ANZ** 

ANZ is a scheduled commercial bank in India. <sup>1</sup>ANZ ranked Number 18 on the 'World's 50 Safest Banks' list by Global Finance Magazine, as at August 2011. <sup>2</sup>ANZ holds a long term credit rating of AA (Standard & Poor's long term credit rating, November 2010). The above is for informational purposes only and does not constitute an offer or solicitation of any financial product. © Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522. Item No. 85482B 09/2011 W244922





We enhance  
your management skills.

We impart  
hands-on training.

We give you  
the right exposure.

So that you can write your own destiny.

At VITBS, we give you the confidence  
to pursue the best opportunities.



# VIT Business School

## *Fostering Innovation*

VIT Business School stresses on combining the powers of knowledge and experience to help you secure a job, and to excel in it. While also ensuring that business education is as much fun as it is important.

It is a full-service management school that imparts hands-on training in specialisations that cover a wide range of industries. Here, you can experience the excitement of learning on the job with out-bound training programmes. You can enhance your management skills through fun-filled co-curricular activities and simulation modules. You can understand the pulse of markets by interacting with them on a regular basis. You can feel the buzz of the corporate world by working in companies through summer placements.

Most importantly, with VIT Business School's innovative and fun learning methods, you can gain the knowledge and experience that gives you the confidence to secure a bright future for yourself.



**VIT<sup>®</sup>**  
**UNIVERSITY**  
(Estd. u/s 3 of UGC Act 1956)

Vellore - 632 014, Tamil Nadu, India

[www.vit.ac.in](http://www.vit.ac.in)





**Geared up:** (From left) Seki Inaba, Director, Sales and Marketing, Jnaneswar Sen, Senior Vice President, Sales and Marketing, and Takashi Nagai, President and CEO, at the Honda Sael plant in Greater Noida

# LIVELY NEW HOPE

Faced with dwindling sales, Honda readies small car Brio. By N. MADHAVAN



In Italian, the word means 'lively, cheerful, energetic'. Will 'Brio', Japanese carmaker Honda Motor Company's soon-to-be launched offering in India live up to its name at the sales counter? It will be Honda's first venture into the crowded Indian small car segment, at a time when the company needs to arrest the dip in its sales.

The demand for every one of Honda cars has fallen in India. Sales of Jazz, Civic, Accord and CRV all fell by over 40 per cent in the first four months of 2011/12, while those of its popular City sedan declined by 20 per cent (See: *Running Out of Gas*). Honda SIEL Cars India Ltd – a joint venture between Honda Motors and SIEL, a Siddharth Shriram Group Company, cut the price of City by over ₹60,000 in June. The price of Jazz was cut by about ₹1.50 lakh.

Honda's problems were compounded by a disruption in the supply of critical components from Japan following the killer tsunami in March. This meant that for a few months, its facility in Greater Noida on Delhi's outskirts could operate at only 60 per cent of its capacity of 100,000 cars a year. Its cup of woes overflowed earlier this month when Honda SIEL had to recall 72,115 City models to replace a faulty power window switch. This was the third such recall in the last 20 months. Honda's reputation for reliable and quality products took a severe knock.

But the biggest roadblock Honda cars have faced is India's diesel subsidy. The retail price of petrol has risen 33 per cent in the last 16 months, while the cost of diesel increased by just eight per cent. This significant price differential has triggered a sudden but substantial shift in preference among car buyers for diesel vehicles. The extent of this shift is staggering – 90 per cent of SUVs and luxury car buyers have preferred the diesel variant; so too have 70 per cent of those who bought sedans and 60 per cent of those who went for compact cars.

The problem for Honda is that it does not have a diesel engine that fits the needs of the Indian market. It has a 2.2-litre diesel engine for the European market but that cannot be adapted for Indian cars because of the higher sulphur content in the diesel used here. While rivals such as Volkswagen, or VW, General Motors, or GM, and others which brought out diesel variants, have seen their sales rise – GM's sales of Optra and Cruz rose 23 per cent in the first four months of 2011/12, VW sold 50 per cent more Passats – Honda SIEL finds itself left behind.

Moreover, the company has no immediate solution in sight. "We have no concrete plan yet for a diesel engine. It is being developed in Japan and will take some time," says Seki Inaba, Director, Sales and Marketing, Honda SIEL.

The problems, however, are not entirely external. A

## Running Out of Gas

Demand for Honda cars is on the wane

■ 2010-11 ■ 2011-12



Figures for April-July  
\*\*Imported

Source: SIAM



lack of strategic vision within the company is also apparent. While Honda has produced some of the best cars in the world, it has repeatedly failed at appropriate pricing of its products in India. Once cars with higher import content were launched, adverse exchange rate fluctuations forced the company to price them high. Jazz is a typical example. Launched in June 2009, the model, which has 26 per cent imported content, was priced at around ₹7 lakh – at least ₹2 lakh higher than other cars in its segment.

But that is changing slowly. After 12 years in India, Honda SIEL realised the virtues of localisation, and set up a research and development centre in 2009 to procure components locally and share components across its product range. "Honda is conscious of the importance of localisation in a price-sensitive market like India," says Takashi Nagai, President and CEO, Honda SIEL. The returns have been quick. "The price reductions we made for City and Jazz recently were possible because of localisation and parts sharing," says Jnaneswar Sen, Senior Vice President, Sales and Marketing, Jazz, for instance, shares 60 per cent of its components with City and 20 per cent with Brio. "The recent massive price cuts speak volumes about how Honda lost out in the past," says B.V.R. Subbu, former President, Hyundai Motor India Ltd.

Though Honda makes small cars in Japan, it took time to enter the Indian compact car segment. Brio, like any other small car, brings distinct advantages to Honda SIEL. The economies of scale the car generates will lower component costs across models. Jazz too has benefited from it. The higher volume catalyses localisation and also opens up new revenue streams like exports. "Honda SIEL has started exporting knocked down parts of Brio to Thailand this year. We have even set up an export department at our Tapukara plant in Rajasthan," explains Nagai. Also, fixed cost gets absorbed over a larger base and provides scope for lowering prices further if required.

Brio has already been launched in Thailand. But supplies were affected following the tsunami and it is too early to gauge its success there.

Brio widens Honda's reach too. "Today, we cater to just 20 per cent of the market in terms of volume as dealerships in small towns are unviable without a compact car," says Sen. "With Brio, we will cater to a larger customer base, which will also help sell our premium products."

Subbu feels that Honda's attitude has altered in the past year. "The unbelievable arrogance it displayed earlier has been replaced by pro-activeness," he says. This, coupled with Honda's brand pull and aggressive pricing of Brio, could see the carmaker doing well, he believes.

Brio has all the attributes of a Honda product but comes with a local content of 80 per cent. On a 100-km test drive, *BT* found the car manages contradictions well. It looks small from the outside but has a strong presence on the road.

While externally compact, its low-seating and efficient packaging offers sufficient space inside for five passengers. The 1.2 litre i-VTEC petrol engine generates 90 bhp at 6,000 rpm – the car is steady at 110 km per hour – but still offers good fuel efficiency. The fuel mileage meter showed 13.1 per km even while wading through city traffic. A light steering, small turning radius, better overall visibility and low weight make it an ideal car for city roads.

The company has got the product right, but the pricing will hold the key to its future in India. Honda has said Brio will be priced below ₹5 lakh. How much lower is the question. "If they price it between ₹3.75 and 4.20 lakh, the car will be a hit," says Subbu. By pricing Brio at i-10 levels, Honda SIEL can also partially offset the disadvantages it faces from the 'dieselisation' of India's car market. ♦



## False Starts

**Lack of strategic vision has hurt Honda's India game plan**

'Dieselisation' of the car market caught Honda unawares. Its diesel engine is still being developed

Higher import content and foreign currency fluctuations made its cars costlier than others

It took a while to understand the advantages of localisation; late with small car launch too

The tsunami in Japan affected supply of critical components

## Likely Saviour

**Brio can revive Honda in India by**

Bringing in economies of scale, reaching new customers

Lowering component costs and thus offering better pricing power

Accelerating the level of localisation

Opening up a new revenue stream like exports





# My daddy makes air conditioners that keep buildings cool and the world green.

He works at *Ingersoll Rand*.

Safety Comfort Efficiency

dentisucomm/ingersollrand/928/11



We create eco-friendly temperature control systems that keep the air cleaner, and you comfortable. Have you ever wondered how venues like malls, offices and airports keep cool? Trane®, one of our brands does just this. We make the world's best air conditioning, ventilation and heating systems for homes and commercial buildings that offer superior energy efficiency and comfort. In fact, Ingersoll Rand has undertaken a massive drive in climate stewardship through our efforts in educating industries on the right selection of Heating, Ventilation and Air-Conditioning (HVAC) systems. We offer state-of-the-art HVAC systems that are good for customers, their bottom lines and at the same time are environmentally responsible. This is how we've been inspiring progress across the world for decades. So when you can beat the heat and be eco-friendly too, you'll know who's behind it.

To learn more about Ingersoll Rand and our family of brands, visit us at [www.ingersollrand.co.in/inspires](http://www.ingersollrand.co.in/inspires)



**Ingersoll Rand**  
Inspiring Progress™



**ELECTRONICS AND COMMUNICATION  
ENGINEERING PROGRAM OF  
SRM UNIVERSITY  
IS FIRST IN INDIA TO  
GET ACCREDITED BY  
THE ENGINEERING ACCREDITATION COMMISSION OF  
ABET**

*111 MARKET PLACE SUITE 1050 BALTIMORE MD 21202-4012 USA*

**Moment of Pride**

It is indeed a moment of pride for SRM University and its faculty, students, parents and alumni, to become the first University to get an ABET (Accreditation Board for Engineering and Technology) accreditation for B. Tech, Electronics & Communication Engineering.

**ABET is the most respected accreditation organization in the U.S for over 75 years. ABET accredits programs at more than 600 colleges and universities worldwide.**

SRM University, in recognition of its excellence in higher education and research, was ranked India's No.1 Multiple Streams University (Engineering and Medicine) in 2009 by The Education Times – GfK Mode Study, joining the league of IITs, NITs and AIMS.

**And now, SRM has joined the league of world's best universities by securing the prestigious ABET accreditation in 2010.**

For more details please visit [www.abet.org](http://www.abet.org) and [www.srmuniv.ac.in](http://www.srmuniv.ac.in)

**Accredited**

**ABET**

**Engineering  
Accreditation  
Commission**



**SRM**

**UNIVERSITY**

(Under section 3 of UGC Act 1956)

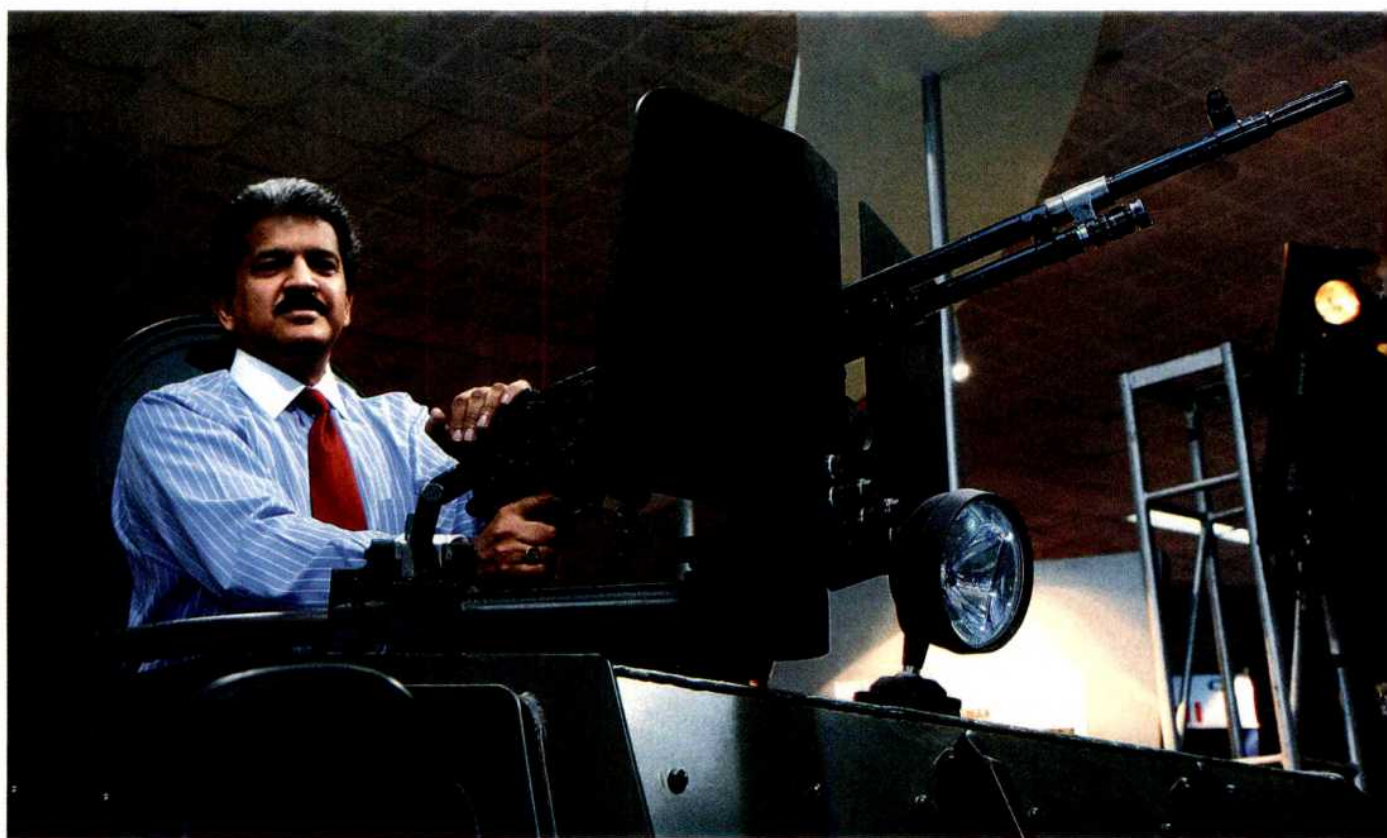
**SETTING TRENDS | INVENTING THE FUTURE**

**Kattankulathur, Kancheepuram Dt., Chennai**



# TOP GUN

How Anand Mahindra built a \$12.5-billion empire ground up. By KUSHAN MITRA



## Mahindra Acquisitions

### 2007

In July, M&M buys 64.6 per cent of Punjab Tractors for about ₹1,400 crore. Retains the Swaraj brand and turns the company around in two years. In 2008/09,

just before it is merged with M&M, Punjab Tractors reports a profit of ₹200 crore. The Swaraj brand has increased its market-share from nine per cent in 2007 to 12 per cent today. Overall, M&M



had 42 per cent of India's tractor market in 2010/11. Selling over 202,000 tractors a year, it is the world's largest tractor company by volume. Farm equipment is the single largest contributor to M&M's revenues.

or many Indian businessmen, the reforms of July 1991 spelt the end of a cosy way of life. For Anand Mahindra, it nearly meant the end of his life. Striking workers of the Kandivali factory of Mahindra & Mahindra, or M&M, in Mumbai had gheraoed him in his plant office and were baying for his blood. Mahindra, then 36 and deputy managing director of a company known for its tractors and the Jeep, had said there would be no Diwali bonus unless workers stepped up productivity. Mahindra's ordeal lasted for nearly four hours, before the workers calmed down.

Mahindra, who had been brought in earlier that year from Mahindra Ugine Steel, another business controlled by his family, held his ground and the workers yielded, agreeing to increase productivity. The 1,230-odd workers at the engine factory in Igatpuri, 125 km northeast of Mumbai, who had decided not to make more than 70 units a day even if this left them enough time to play cards, also gave in. Three years later, around half that number were churning out 125 engines a day. "Productivity gains ranged from 50 to 150 per cent," recalls Bharat Doshi, Group Chief Financial Officer, who has been with the group longer than his boss.

Today, Mahindra does not worry as much about productivity as about what his next big project will be. Another passenger car, a sports utility vehicle, a truck – or an aircraft? Twenty Diwalis since that day in 1991, the group's businesses span all these – and holiday resorts, financial services and defence. When he does not want to start from scratch – which he did with the Scorpio utility vehicle in 2002 – he buys a company, as he did with the Reva electric car. In the past four years, he has acquired Punjab Tractors (doubling M&M's share of the tractor market and making it a global leader), Satyam Computer Services, Reva, two-wheeler maker Kinetic, and South

Korea's automaker Ssangyong. Mahindra's goal seems to be global leadership for his group, which in 2010/11 reported a net profit of over ₹4,800 crore on sales of nearly ₹37,000 crore. In 1991, group revenues are estimated to have been around ₹1,520 crore, based on a Prowess database search of group companies.

Keenly watching him will be the stock market, which has pushed up his flagship M&M's stock price by 995 per cent since Mahindra took charge, despite two stock splits since 2005. In the same period, the Bombay Stock Exchange's 30-share Sensex, which includes M&M, has risen 794 per cent. In a report prepared after M&M's first quarter results, Mumbai brokerage Kotak Institutional

## "Productivity gains ranged from 50 to 150 per cent"

**BHARAT DOSHI**, Group CFO, Mahindra & Mahindra, on the gains after the 1991 strike



Securities upgraded the scrip to a 'buy', citing robust demand for both the Scorpio and Bolero utility vehicles as well as the new Maxximo and Gio light commercial vehicles.

Look back across some 16 years, and the picture was not always so gung-ho. Mahindra's record in joint ventures has been far from stellar. In 1995, hungry for partnership with a multinational that would bring in much-needed technology and management expertise, his group tied up with Ford Motor of the US but the venture petered out in a few years after its first car, the Escort, flopped. Since then, Mahindra has not had much luck with two other partnerships in automotives. M&M's venture with Illinois, US-based

ILLUSTRATIONS BY RAJAT BARAN

## 2008

M&M buys an 80 per cent stake in Kinetic Motors' two-wheeler business for ₹110 crore. This is run as a separate company – Mahindra 2



Wheelers. In 2010/11, the company had 7.6 per cent of the scooters market, against 4.8 per cent the year earlier. Motorcycle sales have been poor, but Mahindra 2 Wheelers is the first Indian company

to take part in the MotoGP motorcycle racing series and has enjoyed some success in the 125cc category with riders Marcel Schrotter and Danny Webb.





**Mean Machine:** Mahindra's indigenous Anti Mine Vehicle



SAPTARSHI BISWAS/www.indiatodayimages.com

Navistar International has not gained traction because of delays in rolling out medium and heavy commercial vehicles and the competition from new, low-cost rivals such as AMW, the Gujarat-based truckmaker. Mahindra Navistar reported a loss of ₹186 crore last year. A bigger setback for M&M has been the Logan, a mid-size sedan that is the offspring of its venture with France's Renault. The car flopped

with British Telecom in software services, forged before Mahindra Ford, had a reasonable run before BT reduced its stake in 2010 to around 30 per cent.

Mahindra counts these setbacks among the invaluable lessons he has learnt. "Everybody enters a joint venture with a what's-in-it-for-you-and-what's-in-it-for-me attitude," he says. "[Before the venture with Ford] we had no experience in making a hard-top vehicle, or in modern methods of manufacturing." And then he drops the punch line: "The 300 people who put the Ford Escort together were the first ones to work on the Scorpio. It can be argued that we would not have been able to make the Scorpio without the Ford joint venture."

Even with the Mahindra-Renault JV, Mahindra believes that both companies have benefited from the experience.

The story of Scorpio, M&M's big-selling utility vehicle, is now a case study at Harvard Business School, where Mahindra did his MBA in 1981. (He had majored in film-making and photography from the same university.) In addition to the learning from Ford,



**"We want to do to regional aerospace what our vehicles have done to rural transport"**

**HEMANT LUTHRA**, President, Systech Sector

and the partners parted ways after four years of friction. M&M is selling the remaining units as its Verito, while Renault is trying to make its mark in a higher segment with Fluence. M&M's big non-auto joint venture, the one

## Acquisitions

### 2009

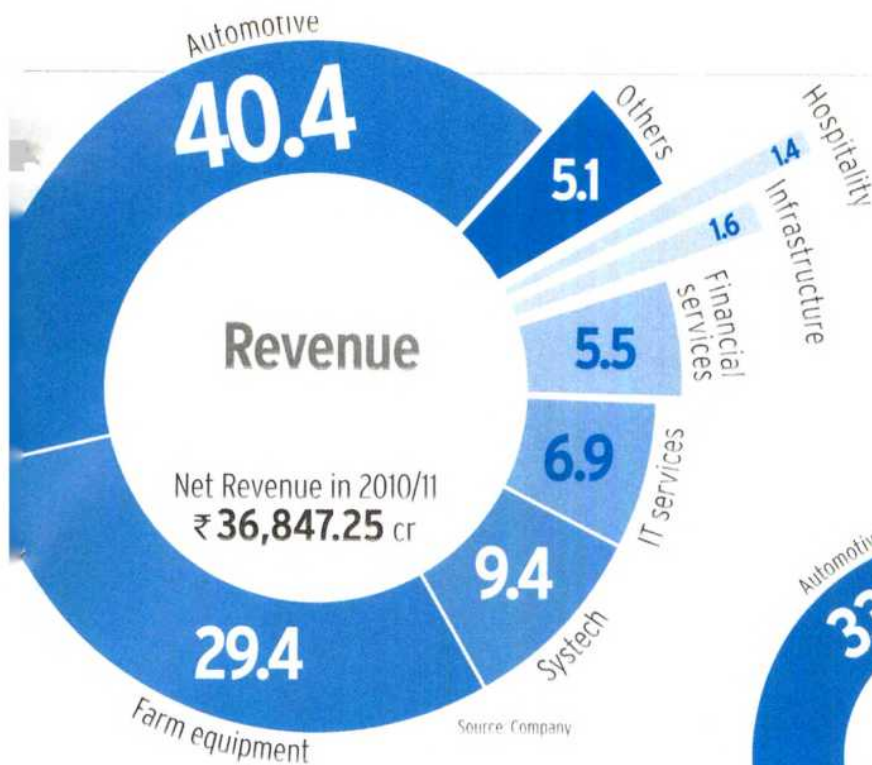
Tech Mahindra, which began life as a venture with British Telecom and later became the information technology business of the M&M Group,

buys Satyam Computer Services in June 2009 when the

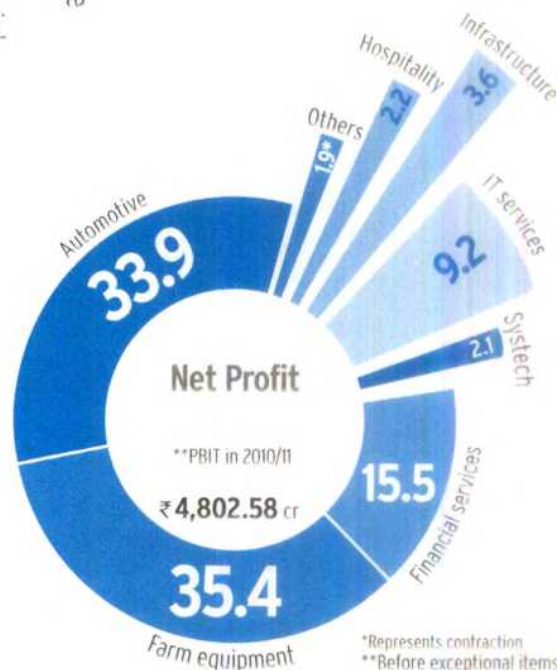


government puts Satyam on the block following revelations of an accounting fraud committed by its Founder-Chairman B. Ramalinga Raju. Tech Mahindra pays an estimated ₹2,650 crore

for a 51 per cent stake. Rebranded as Mahindra-Satyam, the new company declares a consolidated net profit of ₹225.2 crore for the April-June quarter of 2011/12, its first since the takeover.



## Mahindra's Break-up by Business Sectors



Mahindra knew he needed the right people for the Scorpio project. He turned to Pawan Goenka, who had come from General Motors in 1993 as General Manager for Research and Development but was on the verge of leaving.

Goenka, a specialist in engine technologies, was riveted by the audacious plan to develop a vehicle from scratch in India and bought into Mahindra's dream. He spent the next few years learning other parts of automotive technology and building a team of skilled young engineers. In 2002, the Scorpio was born at a total project cost of ₹550 crore. There were many remarkable things about it. First, Indian companies were not known to develop their own vehicles. Second, it was developed at a tenth of the cost that a large manufacturer would have incurred. And, the Scorpio has become a platform, first for the Xylo in 2009 and then for the XUV500, slated for launch in India and South Africa later this year.

The Scorpio "did wonders for the Mahindra brand in urban India", says Mahindra. It also became the group's flagship for expansion into new markets. It is sold in several West European countries as the 'Mahindra Goa' and uses its Scorpio moniker in Africa, where it can be found

from Cairo to Cape Town. It might be outsold by the older and cheaper Bolero in India, but combined with exports, some 60,000 Scorpions were sold in 2010/11. Though a plan to sell Scorpions in the US failed in 2010, M&M plans to make a fresh push in the world's largest vehicle market with the Scorpio and the XUV500 shortly.

More than just sales and profits, the Scorpio platform has given M&M a huge boost as value-seeking customers turn to it. "In comfort, the Innova is far ahead for city driving but the Scorpio scores on mileage and cost, as also service quality at dealerships," says Ravinder Chauhan, co-owner of Delhi-based MS Engineering, a construction contractor with Indian Oil. Chauhan's family owns both an Innova and a Scorpio.

Back at M&M, Goenka does not personally design ve-

### May 2010

Mahindra buys a 55.2 per cent stake in Reva Electric Car Co, most of it from Reva's (in the pic) promoter. It also brings in



fresh equity. Even though Mahindra-Reva made a loss of ₹28 crore in 2010/11, Pawan Goenka, President of M&M Automotive, feels that M&M will

benefit in the long run from Reva's electric vehicle technology, and the acquisition will revive M&M's own alternative propulsion projects. Mahindra-Reva plans to launch a new vehicle, NXR, soon.



LALIT RANA / www.indiatodayimages.com



**Heavy Duty:** Anand Mahindra with a Mahindra Navistar truck

hicles anymore, but is the top dog for the group's automotive and farm equipment businesses. One in two tractors bought today in India is badged M&M after the 2008 Punjab Tractors buy, despite several international players – New Holland and John Deere among them – having entered the market in the past few years. (See *Mahindra*

and Japan under its own brand. Next: Africa and global leadership.

Each of M&M's automotive acquisitions over the last three years was significant in its own way. Reva, the Bangalore manufacturer of electric cars that it acquired for ₹150 crore, is a technology play. "They have competent technology, a well-regarded product and ambitious plans. But they did not have the resources to go forward," says Goenka. The beginning has been good. Soon after M&M bought Reva, the government announced tax breaks for electric cars, something that Chetan Maini – whose dream Reva was – kept moping about but never got.

To be sure, there has been no such happy beginning for Mahindra Two Wheelers, the new name given to Kinetic.

While overall scooter sales doubled last year, they still account for just a fifth of total two-wheeler sales in India. And, Mahindra motorcycles – the company launched five models, including relaunches within a year – has not taken off even though the market is growing and the brand is



**"We have appointed only six people from here in Ssangyong and the CFO is the only top Indian there"**

**PAWAN GOENKA.** President, Automotive & Farm Equipment Sectors

*Acquisitions.*) Two joint ventures in China, one with Jiangling and the other with Yueda Yancheng, have made M&M not just the second largest tractor maker in that country but also the biggest in the world by volumes. In the US, it sells tractors made by manufacturers in South Korea

## Acquisitions

### November 2010

M&M acquires a 70 per cent stake in South Korea's Ssangyong Motor Co for about ₹2,100 crore, including bonds. It is the largest outbound deal by

M&M, which now plans to introduce Ssangyong vehicles in India in 2012, develop vehicles jointly, as well as use Ssangyong's marketing and distribution reach in Russia, Latin America and

Western Europe to realise its ambitions of becoming a global major. Ssangyong closed the 2010 Jan-Dec financial year with a net loss of ₹220 crore.





## Giving Indians Wings

backed by Aamir Khan and Kareena Kapoor, actors known for their Midas touch in movies and endorsements. In a recent interview to a television channel, Mahindra agreed that he came into the market with the wrong product, but vowed to strike back with a relaunch soon.

**T**he really big bet at M&M is being played out in Seoul. China's Shanghai Automotive Industry Corporation, or SAIC, had acquired 49 per cent equity in South Korea's Ssangyong in 2004. But sales collapsed as fuel prices shot up, emission standards in its export markets became stringent, and the global financial crisis erupted. Faced with strikes and unable to cut costs, Ssangyong filed for bankruptcy in January 2009. SAIC diluted its holding to 3.79 per cent in July next year.

When M&M first announced its intent to acquire Ssangyong, it was not without reason that its shares fell. But unlike Tata Motors' acquisition of Britain's Jaguar Land Rover, or JLR, in 2008, which took time to turn operationally profitable and left Tata with a pile of debt, the Ssangyong deal was smooth. The target was free of debt, its operations profitable and it trimmed its workforce before M&M came in. And M&M paid \$463 million – some 60 per cent less than what SAIC had paid in 2004.

Now, Mahindra's task is to win over the unions. "We have appointed only six people from here in management roles in Korea, and the chief financial officer is the only top Indian executive," says Goenka. The idea is to get the Ssangyong employees to believe in themselves. Of the 120,000 vehicles Ssangyong produced last year, 65 per cent were exported. But it is not just entry into new global markets, M&M will also develop all major platforms in the future with Ssangyong and plans to start selling products from South Korea in the Indian market next year.

As Mahindra strives to get Ssangyong back on the rails, he can take inspiration from his success with Satyam Computers. Tech Mahindra, the Mahindra-BT joint venture, won Satyam in an auction by the government, which had taken control after Founder and Chairman Ramalinga

**M**illions of utility vehicles and hundreds of thousands of tractors wearing the Mahindra badge dot the country's roads and farms, respectively. Will Mahindra one day similarly own the skies? In 2008, Systech, the components arm of the Mahindra Group, bought Australia-based GippsAero. The Gipps Airvan, an eight-seater by GippsAero has had limited success since the acquisition, with about 60 planes sold last year. In 2007, M&M had bought Bangalore-based engineering services firm Plexion, which had several aeronautical experts in its ranks. This led to a 2008 tie-up between M&M and the National Aerospace Laboratories to build a four- to five-seater aircraft, the NM-5. It is expected to take its first flight before the end of 2011. The prototype is being developed at GippsAero's facilities in Australia.



Hemant Luthra, President, Systech, says the experience of making aircraft will also help it gain business in the burgeoning civil and defence markets for aerospace components. Anand Mahindra believes Indians would take to the skies in droves if flying became affordable. The NM-5 achieves to do just that, with a target price of around ₹2 crore.

The catch? India's civil aviation rules prohibit a single-engined aircraft from carrying four or more fare-paying passengers. That is why the Airvan and the NM-5 are not in Indian skies as yet. But Luthra is confident the rules will be changed, and Mahindra's vision of thousands of Indians crisscrossing the country in small planes will come true.

### Other Acquisitions

Mahindra Systech has been acquiring automotive component and aerospace companies aggressively since 2003. Several were privately held firms and no values

were given. Among them: Schoneweiss (axle-beam manufacturer, Germany); Jeco Holding (forgings, Germany); DGP Hinoday Industries (castings and ferrites, India); Falkenroth (forgings, Germany); Stokes

Group (forgings, Britain); Amforge Industries (forgings, India); Plexion Technologies (engineering services, India); Metalcastello (castings, Italy along with ICICI



Venture); SAR Transmissions (gears, India); Engines Engineering (automotive, Italy); Gippsland Aeronautics and Aerostaff Aircraft Manufacturing (aerospace, Australia).



Raju was accused of overstating key financial numbers. Mahindra had actually reached out to Raju just weeks before the scandal broke. "He did not respond," he says, tongue in cheek, "for now very-well-known reasons."

Apart from dealing with tax issues, handling employee morale at Satyam was the biggest challenge. As Rajeev Dubey, M&M's head of Human Resources, says, Satyam employees had no idea what the future was going to be. "Yes, we had to take some difficult decisions, but we made sure that everybody was kept informed; communication was vital." No one will talk about it, but the next step in harvesting synergies among the Mahindra group



**"...we would not have been able to make the Scorio without the Ford joint venture"**

**ANAND MAHINDRA**

tech businesses is to combine Tech Mahindra and Mahindra Satyam in the future.

A management consultant who has worked with Mahindra closely says he has not seen an Indian businessman with "a better left brain, right brain" combination – creativity in business combined with a feel for numbers. In 2000, when Indian groups started buying global assets, the Mahindra group was much smaller, with revenues of about \$1 billion. "Not only was he smaller than the Tatas or Birlas, his family's shareholding in group businesses was relatively low making him more vulnerable than them," says the consultant. The consultant, who works at a US management firm, requested he not be named.

This explains the heightened sense of caution with which M&M goes after acquisitions, especially those with a higher degree of risk or of a size that may be difficult to digest. An example is the group's decision to drop out of the race to buy JLR. The Tatas, who had deeper pockets, bagged it. A strategy Mahindra uses to pare risk is to rope in private equity, as in M&M's acquisition of Italian auto component maker Metalcastello along with ICICI Venture. So too, it acquired Australian airplane maker GippsAero along with Kotak Private Equity.

A takeover tycoon he may be, but Mahindra is not done with entering new areas

## Rising to the Top

How Mahindra's 'Rise' campaign came to fruition

In mid-2009, Scott Goodson, the founder and creative head of StrawberryFrog, a boutique American advertising agency, met Anand Mahindra in Mumbai. Mahindra had appointed Global Vehicles as distributor for its Scorio sports utility vehicle in the United States, and Global had roped in StrawberryFrog.

Goodson, who specialises in 'movement marketing', wanted to understand what Mahindra & Mahindra was all about. He had been surprised by what he found. Most Mahindra's managers, he noted, felt they were working for a higher purpose but seemed unable to articulate it. Goodson told Mahindra boldly, "You yourself do not understand what kind of company you are running."

Following months of research and interviews with all stakeholders, the 'Rise' slogan was born. It emphasised three core principles – accept no limits, think alternatively and drive positive change.

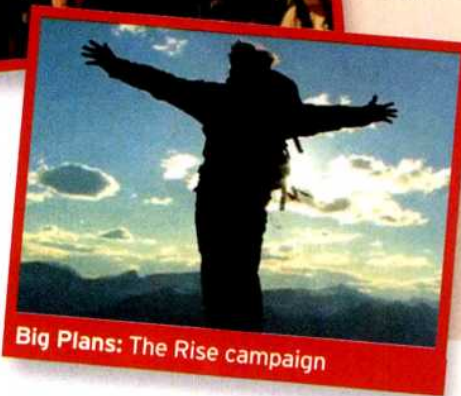
But Mahindra wanted this to be more than an advertising campaign. "Our core purpose earlier was to prove that Indians are second to none," he says. But later M&M, having acquired thousands of employees in Germany, Korea, China and elsewhere, needed to redefine this.

Mahindra admits that not every employee will buy the 'Rise' idea. Surprisingly, employees of

Mahindra-Satyam were the biggest supporters of 'Rise', presumably because they had suffered a serious identity crisis when their company's founder perpetrated a scam.

Ironically, Mahindra's plans for a US launch were scuppered by legal issues with

Global Vehicles. So while StrawberryFrog never got around to doing the advertisement it was intended to do in the US, it has done a massive campaign in India.



**Big Plans: The Rise campaign**



# CROSS

FOR ALL YOUR *corporate gifting* NEEDS

CLASSIC CENTURY COLLECTION



**HARMONY**  
DISTRIBUTORS PRIVATE LIMITED

HARMONY DISTRIBUTORS PVT LTD: Authorized & Exclusive Distributors - Cross India:  
Tel.: +91 22 4061 8080 Fax: +91 22 4061 8081 E-mail: cross@harmonydist.com www.cross.com

All Cross writing instruments come with a Lifetime Mechanical Guarantee.

Ahmedabad Nilesh Vasani 98250 67010  
Bangalore Ravi Shankar 93421 66111  
Chennai Harish Lohia 93810 54094

Delhi Manish Kumar 98108 82397  
Hyderabad MD Shabber 87902 04023  
Kolkata Debdas Ghosh 98748 60043

Mumbai Shashidharan 4061 8022  
Pune Manju Jakatdar 98230 91181



on his own. Looking at the promise in defence equipment, M&M has developed an urban patrol vehicle, the Marksman, based on the Scorpio. Kutub Hai, a former Brigadier, who is the Chief Executive of Mahindra Land Defence Systems, a joint venture with British Aerospace, says the company can hope to get up to 20 per cent of the \$100 billion defence market in the coming decade.

Even more bullish is Hemant Luthra, President, Systech Sector, who heads the group's component side and oversees the entry into aerospace. In 2007, he masterminded the acquisition of Australia's GippsAero, which makes small commercial aircraft. Luthra has also taken the company into a joint venture with National Aerospace Laboratories, Bangalore, to develop a small aircraft. Scheduled to take to the air soon, it is expected to be priced at ₹2 crore. The cheapest such offering in the market today costs ₹5 crore. (See *Giving India Wings*.)

"We want to do to regional aerospace what we have done to rural transport," says Luthra. Mahindra shares his vision of scores of small planes taking off from towns across the country, with fares slightly higher than the highest railway fares. That would fit in with M&M's new campaign: 'Rise – No Limits. Positive Change. Alternative Thinking' (See *Rising to the Top*).

Mahindra's 360-degree view of life – he has 350,000-plus followers on Twitter and adds 2,500 every week – had management thinker C.K. Prahalad, about a year before he died in April 2010, dub his sprawl of businesses



**"We took difficult decisions at Satyam but we made sure that everybody was kept informed"**

**RAJEEV DUBEY**, President, Group HR & Aftermarket Sector, Mahindra & Mahindra

'Fortress Mahindra', an empire that spans not just a hundred countries but has valuable links in multiple industries.

Despite aggressively expanding the contours of his conglomerate – he prefers to call it a federation – Mahindra, now 56, makes you feel that he has not really forgotten the day he was confined to his office 20 years ago. "When you have stared down the abyss, you get a sort of confidence," he says. ♦

*Edited by Suveen K. Sinha and Somnath Dasgupta*

**COLUMN**

Vijay Govindarajan

## Innovation Is the Key



The challenge for a company like Mahindra & Mahindra is to grow to an \$80 billion company. That cannot be achieved without being truly global. This is the central challenge for every major Indian company. However, global expansion will depend upon excellence in innovation.

In fact, globalisation and innovation are two sides of the same coin. Thus far, by and large, Indian companies have excelled in low-cost manufacture of products needed for the western consumer. To the extent they focused on the Indian consumer, it was typically at the top of the economic pyramid. The time has come for Indian

companies to double their innovative efforts. The poor should not be viewed as a liability and burden on society but as consumers, entrepreneurs, producers, and – yes – partners.

On July 15 this year, the Tata Group, the makers of the Nano car, announced the launch of an ultra-low-cost, flat-pack house for the rural poor. The basic model will be available as a 20-sq. m. pre-fabricated kit designed for on-site installation at \$700 (₹31,500). There are also plans for a house that comes with a solar panel.

A month before the Tata announcement, a self-organised team from M&M won the corporate award for the \$300 House Open Design Challenge (see [www.300house.com](http://www.300house.com)). The team is now working on a pilot of its design.

We need thousands of such experiments to solve India's most pressing problems – housing, health, education, energy or transport. These problems can be solved only with breakthrough innovations.

*The writer is Professor at Tuck School of Business, Dartmouth*



**Scorpio's den: The assembly line**



Full text of the column at  
[www.businessstoday.in/Govindarajan](http://www.businessstoday.in/Govindarajan)



**The only  
competition  
that can look us  
in the eye is ourselves.**

- Highest Machine Life: 9,00,000 Prints ■ Highest Drum life: 3,00,000 Prints
  - Lowest Total Cost of Ownership ■ BLI Printer Line of the Year Award
- No wonder, we don't consider the rest as competition!**

**Presenting**

**The unbeatable Range of Printers from Kyocera**

**PRINTERS**



Mono A4: 24 ppm to 35 ppm



Colour A4: 21 ppm to 26 ppm

**MFD**



Mono A4: 24 ppm to 40 ppm



Colour A4: 26 ppm



**Knockout Benefits**

- Separate Drum & Toner • Maximum Prints per day • USB Printing • Password Printing • Maximum Up-time • Digital Counter

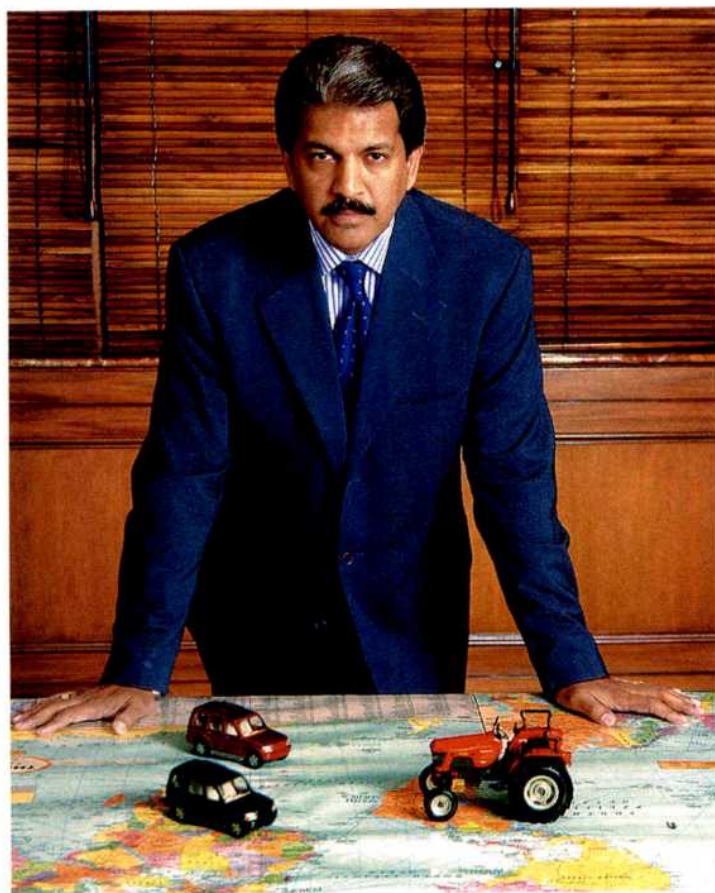


**For enquiries contact:**  
Ph: +91 124 4671000; Toll Free: 1800 103 7172  
E-mail: dilip.kanth@kyoceramita.co.in [www.kyoceramita.co.in](http://www.kyoceramita.co.in)





# “We Will Create a System That Is Impregnable”



**T**he view from the top floor at Mahindra's corporate headquarters in Worli has changed dramatically over the past few years, as 40 to 50 storey skyscrapers rise in what was once Mumbai's mill district. The skyline's transformation from smokestacks to glass and steel is akin to the changes that **ANAND MAHINDRA** has driven in the company that bears his family name. He speaks to Business Today's **KUSHAN MITRA** on transformation, change and management. Edited excerpts:



Full transcript of the interview at [www.business today.in/anandmahindra](http://www.business today.in/anandmahindra)

## On the challenges 20 years ago and today, and whether M&M is spread too thin

I would be lying through my teeth if I said that I came in, knelt down and God told me what the company would be like. That was the time of the most turmoil for Mahindra & Mahindra. The vehicle market was going through a prolonged recession both in trucks and in our (utility) vehicles, productivity was abysmal, there was a culture of complacency and the writing was on the wall.

The message I wanted to send out was that there was no free lunch anymore... Honestly, I was worried if the company would survive for one year, let alone 20. You asked if we are spreading ourselves too thin, but when you have been at death's door, you naturally tend to be less intimidated by challenges.

## On the joint ventures with Ford and Renault

The fact is that the joint ventures worked out very well for us.... We looked at them as learning opportunities... to acquire current technology. I had done my MBA and had enough data points to know that 50:50 joint-ventures do not work. I told the Ford guys that this is what we want out of this. That is why we insisted that the Scorpio be made at Nashik initially. The 300 people who actually assembled the (Ford) Escort are the people who assembled the first Scorpio because they knew how to assemble a modern car.

With Renault, we actually negotiated an end-point. We said that it might go earlier... You have to understand that the JV is an instrument of growth. When multinational companies go into a country, what do they use a JV for? They use it as a point of entry, sometimes around barriers, as a point of learning also.

## On entry into two-wheelers

Michael Porter says the most defensible strategy is not where you do one thing well. The most defensible strategy is where you do many things and the combination of those many things becomes very hard for a competitor to emulate... The key is not core competence but differentiation.



SHAPING YOUR FUTURE

# BBDIT

Best emerging college in NCR as per survey conducted by Business Sphere

**30<sup>th</sup>**  
RANK IN INDIA\*  
As Per Dataquest

**3<sup>rd</sup>**  
RANK IN UP\*\*  
As Per Dataquest

An ISO 9001-2008 Certified Institute

Why BBDIT?

- Excellent placement with a package of Rs. 5 Lacs and above.
- Collaboration with Foreign University (Gannon University, USA)
- Complete personality development through regular seminars and industrial visits.
- Mentorship programme with industrial giants like Zensar Technologies etc.
- Best Engineering College of the year.  
(source : Ghaziabad Management Association, Convention 2010)  
\*\*Among top technical schools incl. IITs, NITs, Govt & Self - Financed institutions. (Dataquest - IDC Survey - 30th November 2010)

Affiliated to Mahamaya Technical University, Noida & Approved by the A.I.C.T.E. Ministry of HRD, Govt. of India

## COURSES

### B. Tech. (CS, IT, EC, EI & ME)

10+2 with 60% in PCM, Pref. to SEE-UPTU-2010 & AIEEE Rankers

### MBA

60% in Graduation

### B. Tech. IInd Shift (CS, EC & ME)

Lateral Entry - B.Tech. II<sup>nd</sup> Year Diploma or B.Sc. with 60%

### MCA

50% in Graduation, with Maths in 12<sup>th</sup> or Graduation

## COURSES

### B. Tech. (CS, IT, EC, EI EN and ME)

10+2 with 50% in PCM, Pref. to SEE-UPTU-2010 & AIEEE Rankers

### MBA

50% in Graduation

### B. Tech. (CS, & EC)

Lateral Entry - B.Tech. II<sup>nd</sup> Year Diploma or B.Sc. with 50%

## INTERNATIONAL PROGRAMME

### MBA, MS From Gannon University USA

- 1 Year Work Permit of USA, No GMAT/GRE Required (Saver of Expenses)
- 1 Year Foundation Course at BBDIT and 1 Year at Gannon University Campus, Pennsylvania (USA)



Ghaziabad Campus  
College Code 035



Bulandshahr Campus  
College Code 018



Gannon University

For Admissions/Registration, Contact :-

**BABU BANARSI DAS INSTITUTE OF TECHNOLOGY (035)** For Admissions SMS BBDIT @ 57575  
7th KM on N.H. 58, Delhi- Meerut Road, Duhai, Ghaziabad (UP) Ph.: 0120- 2675912-14, 2679017-19

**BABU BANARSI DAS INSTITUTE OF ENGINEERING TECHNOLOGY & RESEARCH CENTRE (018)**  
25th KM on Bulandshahr- Anoopshahr Road, Near Jahangirabad, Bulandshahr (NCR) 202394 For Admissions SMS BBIET @ 57575

H.O.: C - 358, Lohia Nagar, Ghaziabad (UP), Ph.: 0120 2700751, 2759356, 2756249, Mobile: 9811209989, 9312703071  
Website: [www.bbdit.edu.in](http://www.bbdit.edu.in) E-mail: [info@bbdit.edu.in](mailto:info@bbdit.edu.in) [admission@bbdit.edu.in](mailto:admission@bbdit.edu.in)





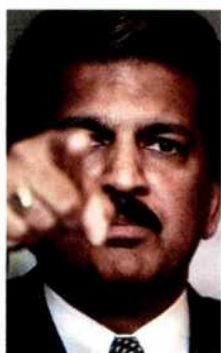
What we are creating is a mobility activity system that becomes very, very difficult to emulate and almost impregnable. So, let's put a word – 'Fortress Mahindra'; and interestingly this is a term that C.K. Prahalad gave us. I met him once in Michigan and he said: "I know what you are trying to do, you are trying to create 'Fortress Mahindra.'"

Fortress Mahindra means that if you go into a certain mobility business where you can share procurement, where you can share

#### **On India's reasons for standing out**

When I met the Finance Minister recently, the newspapers (had) all said that the monsoons were 25 per cent below normal... I told him I did not follow the media reports because they tend to give aggregate numbers. We have a crop efficiency index that is given to me by Mahindra Finance based on data collected by their 500 branches across the country, and I told him that the reports said that the monsoon was

BHASKAR PAUL



**"If the government announces some reforms, it will signal to the world that the momentum is continuing here, my hunch is that India will stand out quite sharply"**

R&D synergies, where you can share logistics, where you can share brand, you can share channel and then create a mobility web. So, of course, it is going to be a challenge to enter the two-wheeler business but if anybody can do it, it is us. We have a channel, and I'm not just talking of the automotive channel, but also the tractor channel. The growth is in rural markets and M&M has amazing brand equity there. The Scorpio – why do you think our sales are holding up when everybody else's is down? Rural consumption.

#### **On the Indian economy right now**

I believe India has a shot in this current maelstrom of standing out and in fact living up to this wonderful goal of being an alternative engine of growth for the world.

above average.

Since then, rainfall has gone up and grudgingly people are saying that it is a terrific monsoon.

Inflation and the interest rates are going to bite, indeed have bitten already and are creating a bit of a brake on the economy. But I believe if the Indian government invests in infrastructure today, it will create growth in a global desert.

One bugbear of the Indian economy was oil. But now that one Achilles' heel is also being mitigated. So I think if the government is now proactive, if it announces some reforms that are much needed, it will signal to the world that the momentum is continuing here. My hunch is that India will stand out quite sharply. ♦



# **ADD Gel<sup>®</sup>** **eins**

GEL ROLLER

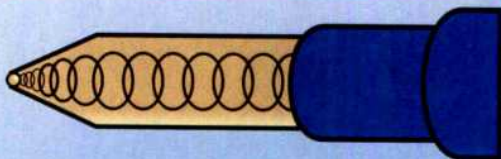
## Now... with "Spring" Point

Write fast, write slow, write hard, write soft,  
write as you like, how you like, when you like  
because the micro-spring installed in each refill  
tip ensures that it adjusts to your own writing style.

Buy one now...

You may never use any other pen.

**SPRING POINT**  
writes to your own taste



**First time in INDIA**

 **ADD Gel<sup>®</sup>**  
Leaders in Writing Technology

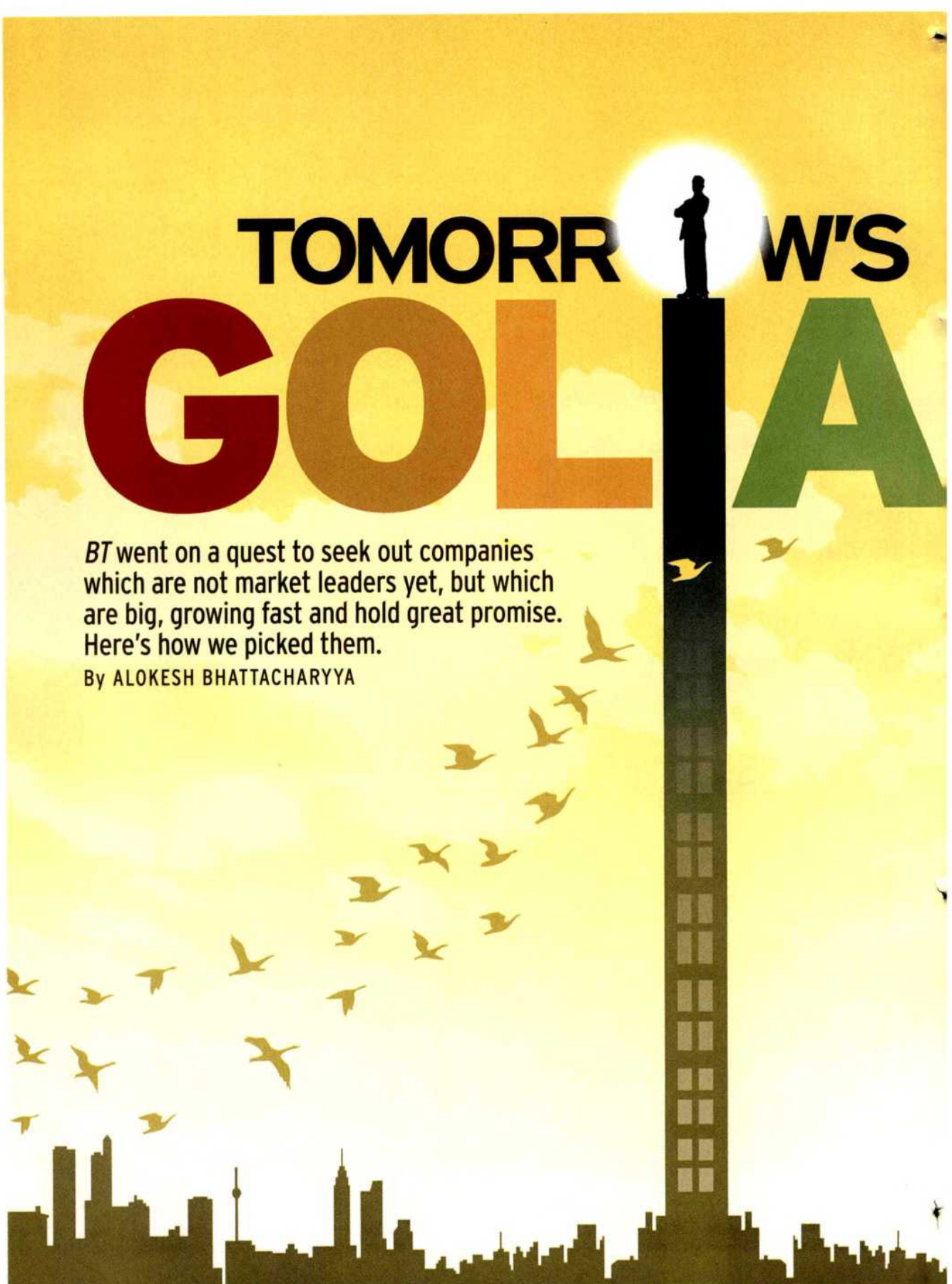
ADD Corporation Limited  
For Corporate enquiries: [corpsales@addpens.com](mailto:corpsales@addpens.com)  
[www.addpens.com](http://www.addpens.com)

Invitation Price: ₹70/- each





# TOMORROW'S GOLIA



*BT* went on a quest to seek out companies which are not market leaders yet, but which are big, growing fast and hold great promise. Here's how we picked them.

By ALOKESH BHATTACHARYYA

# THIS

## INSIDE ►

|                    |     |
|--------------------|-----|
| Fortis Healthcare  | 60  |
| IndiGo             | 66  |
| Glenmark Pharma    | 72  |
| Lanco Infratech    | 76  |
| Café Coffee Day    | 80  |
| Nuclear Power Corp | 86  |
| Axis Bank          | 90  |
| iGate              | 96  |
| Others             | 100 |

**P**rediction can be hazardous, but that is exactly what we set out to do in this special package to celebrate *Business Today's* 20th anniversary. The quest: find companies that are not yet market leaders, but are already big and also among the fastest-growing in their sector. In short, companies that have a credible shot at becoming Tomorrow's Goliaths.

Scale, pace of revenue expansion and editorial judgement were combined to select the companies. We started with revenue (minimum ₹1,500 crore in 2010/11) and revenue CAGR (compound annual growth rate) data of companies in 16 sectors, culled from Accord Fintech's Ace Equity database. Revenue CAGR was considered for the six years ending 2010/11. Where six-year data was

not available, fewer years were taken, with a minimum of three years as the cut-off point. The CAGR of peers was facilitated for a like-to-like comparison.

The logic behind the selection was simple: a company with higher revenue – even if the CAGR is lower – has a better chance of emerging a giant in, say, five years.

For example, in banking, Yes Bank is growing the fastest with 84.28 per cent six-year revenue CAGR, but Axis Bank is nearly four times its size in income, and growing at 39.31 per cent, faster than all the other top banks. Axis Bank, therefore, made the cut. Four others companies were selected using this logic: Fortis Healthcare, Nuclear Power Corporation, Lanco Infratech, and iGate Corporation. The sixth, Glenmark Pharma, is neither growing very fast, nor does

it have great scale. But it has possibly the best chance among Indian drug makers to launch an original drug, which would take it into a different league.

The remaining companies – Café Coffee Day and IndiGo – are unlisted. IndiGo was chosen as it is near the top in terms of passenger numbers and growing fast. Café Coffee Day is the biggest in its arena in India, and may be on the path to becoming one of the world's biggest. We have picked some more companies – the cut-off being revenues of ₹500 crore in 2010/11 – which are growing fast and have reasonable scale. Read about them on page 100.

Time will tell whether our list lives up to its billing, but, for now, happy reading. ♦

DATA RESEARCH BY  
GAUTAM AGGARWAL





# In the Pink of

The Singh brothers, who often dress alike, are working as one to make Fortis



VIVAN MEHRA/www.indiatodayimages.com

# Healthcare

bigger than Ranbaxy. By MANU KAUSHIK



Soon after Fortis Healthcare was set up in 2001, Shivinder Mohan Singh was being interviewed by a magazine. Just 26 years old then, Singh was at a loss for words when asked the inevitable question about future plans. "We want to be big," he said. How big? "No clue how big...." Singh recalls fumbling for words, "...just... big."

Fortis, set up by Singh and his elder brother Malvinder Mohan, who were the promoter family in Ranbaxy Laboratories, the country's largest pharmaceutical company by sales, had nothing on the ground at that time. It had been allotted land for a hospital in Mohali, Punjab, and that was that; no investment had been made.

In the intervening years, the Fortis network has multiplied through acquisitions, construction of new hospitals and management contracts. The expansion was turbocharged after the brothers sold their 35 per cent stake in Ranbaxy, grown to scale by their father Parvinder Singh, to Japan's Daiichi Sankyo three years ago for ₹10,000 crore. With the deal, they wrote a twist in the story of India's business families, most of which are known to cling to their companies even in decline.

Fortis had 28 hospitals when it acquired pharmaceutical company Wockhardt's chain of hospitals in August 2009 for ₹909 crore, increasing its network to 38. On a wet day in August, when *BT* met the Singh brothers at the Fortis hospital in New Delhi's Vasant Kunj, the chain had 62 hospitals. By the time this story went to press, the number had grown to 66.



# The A Team

**Vishal Bali**  
CEO, Fortis Healthcare International

Bali leads the global leadership team out of Singapore. His focus will be on building tomorrow's healthcare delivery systems in Asia and expanding the footprint across the region



**Harshvendra Soin**  
Chief People Officer, Fortis Healthcare (India)

Soin's role will be to ensure not only a continuous funnel of top talent, but also a high engagement level within teams

**Yogesh Sareen**  
CFO, Fortis Healthcare (India)

Besides overseeing all aspects of finance, Sareen will also help in maximising the incentives offered by the state to private players investing in the healthcare space



**Daljit Singh**  
President, Fortis Healthcare (India)

Singh will contribute in the areas of strategy, mentoring, developing future leadership, creating a sustainable model for low-cost healthcare delivery, among others

**Aditya Vij (far left)**  
CEO, Fortis Healthcare (India)

Vij will manage the verticals the company operates in – hospitals, diagnostics, pathology – or any new segment it plans to enter. His job is to look for hospital assets that can be acquired or roped in through management contracts

Apollo Hospitals, the 28-year-old chain set up by Prathap C. Reddy, 78, who manages the company with his four daughters, is the segment leader with 10,980 beds – 73 per cent of them operational – in 63 hospitals. Fortis's 66 hospitals have a capacity to take 10,270 beds, of which less than 40 per cent are operational. In revenues, Apollo is way ahead with ₹2,605 crore in the last financial year to Fortis's ₹1,482 crore. However, Fortis's many new additions to the network will start yielding more as they come into their own. "Apollo has been slow in acquiring and relies mostly on greenfield projects to expand. If Fortis continues with its acquisition strategy, it will soon surpass Apollo," says Rashes Shah, an analyst with ICICI Securities. Fortis has already surpassed Apollo on average revenue per operational bed – ₹87 lakh a year versus just above ₹80 lakh for Apollo.

And yet, Shivinder, much more articulate now and given to twirling his moustache every once in a while, still struggles to define 'big': "The roll-out is happening so fast that I have stopped defining big... There will be at least 80 hospitals by the end of this financial year. We are just putting the network together; growth is happening on a default basis." In a country where organised chains account for just six per cent of the hospital bed capacity of 1.3 million, there can be no dearth of growth prospects.

## Attendant's Eye View

After he graduated in mathematics from Delhi's St. Stephen's College, Shivinder was asked by his father Parvinder – who first drew up the vision to make Ranbaxy a research-driven global company – to work in the pharmaceutical sector. But the son's heart lay in health care. So in the mid-1990s, at the age of 21, Shivinder set out to prepare a business plan for what eventually became Fortis. In doing so, he had the advantage of a unique perspective, though it came through the unfortunate

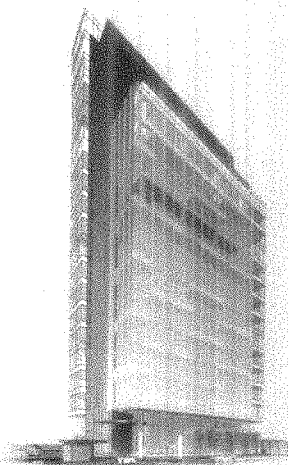


Difficult to choose isn't it?  
Now try choosing between an  
office that's centrally located or  
one with superlative amenities.

So how do you choose?  
You don't, with Marvel Corporate Spaces.

Office spaces with  
world-class amenities,  
at Pune's most elite locations.

The newly launched **Marvel Sentinel**  
is one such example. This innovative,  
70 metre high tower located on  
Magarpatta Road, Hadapsar,  
comes with sky gardens,  
a spa, pool, gymnasium and even  
places to entertain. So you never have to  
make that impossible choice again.



MARVEL  
**SENTINEL**  
Future Ready

# ORGANISE AN OFFICE TRIP ABROAD OR ANNOUNCE A BONUS?

## Marvel Corporate Spaces

Launched projects: Marvel Edge, Viman Nagar | Marvel Sentinel, Magarpatta Road

Upcoming projects: Marvel Trueno, Viman Nagar | Marvel Vista, Lulla Nagar | Marvel Fuego, Magarpatta Road

In partnership with



**MARVEL**  
REALTORS



illness of his father. Parvinder was diagnosed with cancer in 1997 and his sons took him to the world's best hospitals for treatment.

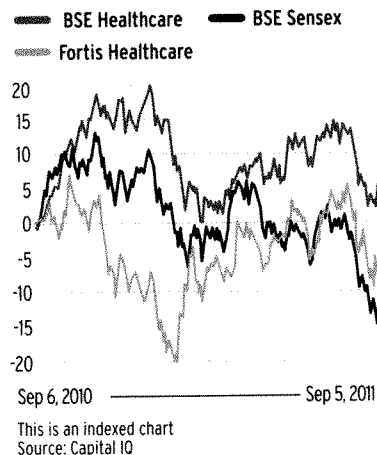
Wiser from these visits, they tried to see hospital functioning from the patient's and attendant's perspective. Right from the first hospital they took their father to in Mohali, they found themselves fretting over the little things. For instance, they found the signage in many hospitals telling people where not to go, rather forbidding. So Fortis marks various areas – including the prohibited ones – by the colour of doors and floor tiles. Over time, visitors would know where not to go without being told so by signage.

In the United States, where the attendant-patient ratio is about 0.5, hospitals can make do with small lobbies. In India, the ratio is 10 times higher, which has translated into larger lobbies at Fortis. "We sat in hospital lobbies and discussed the good things there. We were clear that there would be no harm in copying them," says Shivinder.

While giving the finishing touches to the Fortis plan after their father died in 1999, the brothers did not confine their vision to the patient's point of view alone. As managers, they burned with ambition, exemplified early in their ₹650 crore acquisition in 2005 of Escorts Hospitals, including the iconic Escorts Heart Institute in the heart of New Delhi. In March last year, they even made a bid for Singapore-based Parkway, which is bigger than Fortis by revenue, and acquired a shade above 25 per cent equity in it. Eventually, they dropped the bid in the face of a counterbid by Malaysian sovereign fund Khazanah and walked away richer by ₹320 crore, as the Parkway shares had risen 11.6 per cent in the interim. Fortis has also built five hospitals from scratch and taken on a bunch on management contract.

The skew in favour of acquisitions has given ammunition to

### Up and Down



### Fortis's Numbers Are in Good Shape

|         | REVENUES | NET PROFIT |
|---------|----------|------------|
| 2006/07 | 512.35   | -98.12     |
| 2007/08 | 507.10   | -55.48     |
| 2008/09 | 630.69   | 20.82      |
| 2009/10 | 937.94   | 69.48      |
| 2010/11 | 1,482.82 | 124.36     |

Market capitalisation as on  
Aug 30, 2011: **₹6,178.7 crore**  
Five-year revenue CAGR: **30.4%**

Figures in ₹ crore  
Source: Ace Equity, BT Research

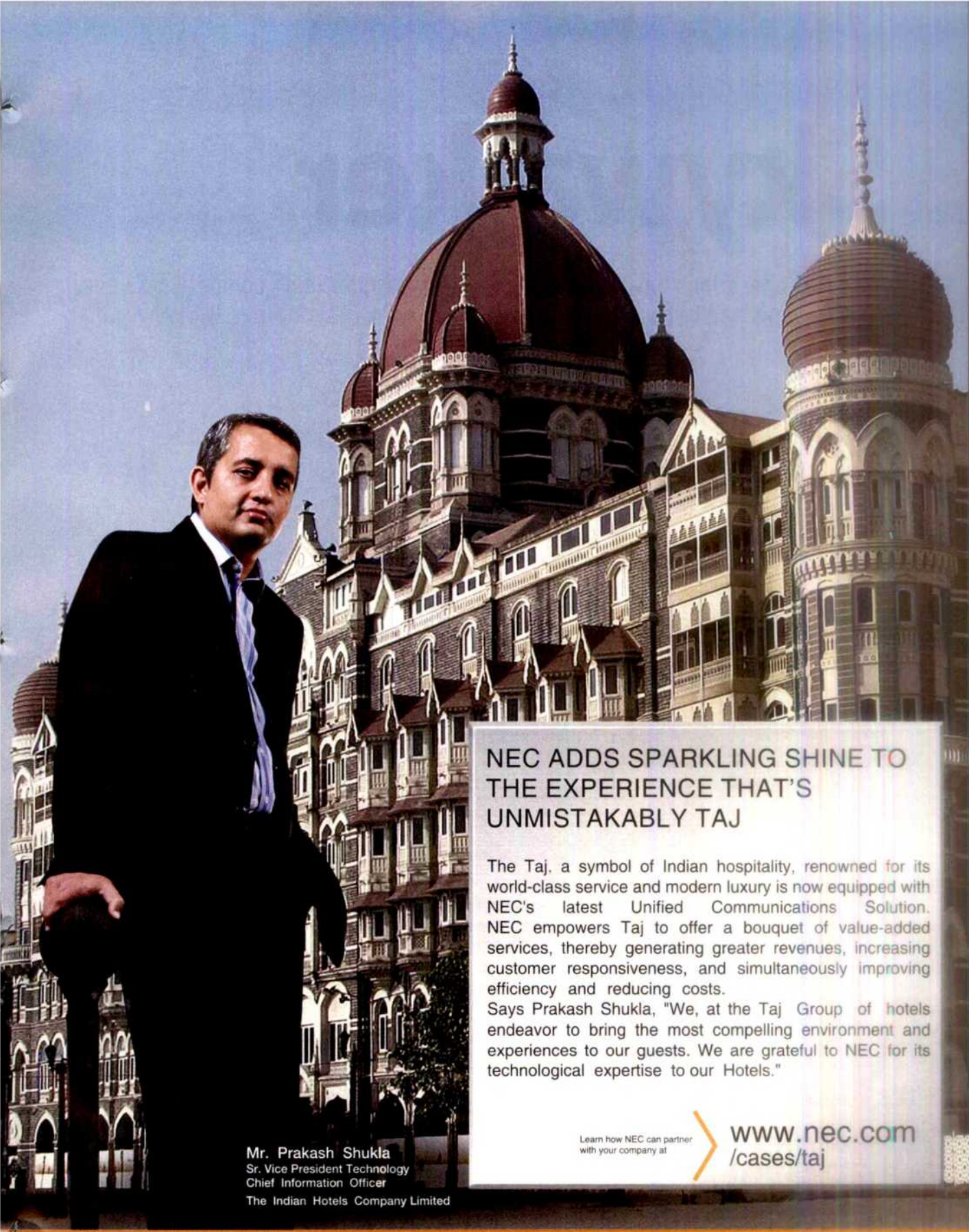
detractors, who say that Fortis is not adding much to the healthcare infrastructure. In response, Shivinder hums the first line of an old Kishore Kumar number: "Kuchh to log kahenge, logon ka kaam hai kehna (which roughly translates to 'people will always find something unkind to say')." Malvinder, though, is all businesslike. "The question is whether the existing capacity is productive," he says. His contention is that existing hospitals become more efficient, operationally and financially, after they come under the Fortis banner. That adds to the healthcare infrastructure.

A few weeks ago, the brothers entered a board meeting at the same time dressed in identical clothes, down to the neck tie. When we meet them, too, they are dressed almost alike, only the ties are slightly different. They speak the same language. Shivinder sounds a little more adventurous at times, but the two often end up finishing each other's sentences.

That works well for the business. While Shivinder was building Fortis, Malvinder rose through the ranks at Ranbaxy, eventually becoming its CEO. At Fortis, Shivinder, as the Managing Director of Fortis Healthcare (India) Ltd, looks after the Indian operations. Malvinder, as Group Chairman, runs Singapore-based Fortis Healthcare International Pte Ltd, the global arm. The two together decide the strategic direction. Says Sunil Godhwani, who runs Religare Enterprises, the financial services outfit started by the brothers soon after Fortis: "At the time of selling Ranbaxy they demonstrated the difference between obsession and possession. For them, equity ownership is just possession, which has to be dislodged at the right time and price."

The next few years will be breathless. Fortis plans to enter secondary care with 25 hospitals in the next three years in Tier-II and III towns under a new brand. These will be 100 to 150 bed, no-frills hospitals that will treat non-critical ailments and feed the city-based tertiary care units. The brothers see an opportunity of more than \$400 billion in Asia and Australia. But that is not where they stop. "In five years we see ourselves as the leader and the most trusted healthcare brand in every market we operate in, and among the top 10 in the world," says Malvinder.

So, what if someone comes along to offer a good price for Fortis? The answer, as offered by Malvinder, inevitably mentions Ranbaxy: "Fortis will be a global brand, bigger than Ranbaxy – something that India will be proud of." ♦



## NEC ADDS SPARKLING SHINE TO THE EXPERIENCE THAT'S UNMISTAKABLY TAJ

The Taj, a symbol of Indian hospitality, renowned for its world-class service and modern luxury is now equipped with NEC's latest Unified Communications Solution. NEC empowers Taj to offer a bouquet of value-added services, thereby generating greater revenues, increasing customer responsiveness, and simultaneously improving efficiency and reducing costs.

Says Prakash Shukla, "We, at the Taj Group of hotels endeavor to bring the most compelling environment and experiences to our guests. We are grateful to NEC for its technological expertise to our Hotels."

**Mr. Prakash Shukla**  
Sr. Vice President Technology  
Chief Information Officer  
The Indian Hotels Company Limited

Learn how NEC can partner  
with your company at

[www.nec.com/cases/taj](http://www.nec.com/cases/taj)

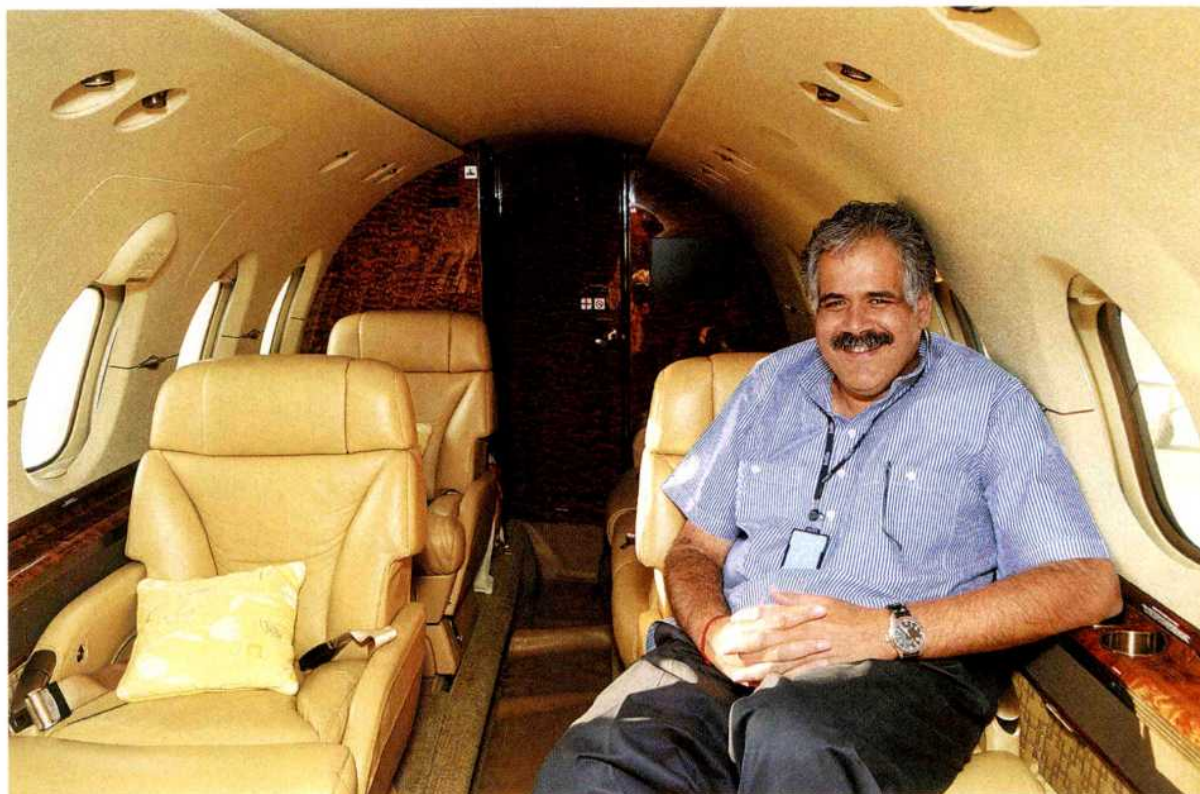
Empowered by Innovation

**NEC**



# Skywalker

Precision operations have helped IndiGo poke a finger in its competition's eye. Asian airlines had better watch out next. By JOSEY PULIYENTHURUTHEL and KUSHAN MITRA



PHOTOGRAPH BY VIVAN MEHRA

**Low-cost king:** IndiGo Founder Rahul Bhatia inside a Hawker Beechcraft private jet in New Delhi

One wintry day in 2007, Vijay Mallya, arguably the Indian billionaire with the most panache, decided to leave behind his personal Airbus Corporate Jet to fly an up-and-coming low-cost airline from New Delhi. It was only after the chairman of Kingfisher Airlines, billed India's only five-star airline, had settled into seat 12D, in the emergency row, and the Mumbai-bound plane was in the air that the low-cost airline's CEO was

informed that a rival was on the flight.

Mallya, who sussed out the airline's service – he sat in the first row for part of the flight to get a feel of the 'premium' row, for instance – was prescient. The airline he was getting a feel of was IndiGo.

IndiGo today has a market share – a shade under 20 per cent – that jostles every month with Kingfisher for the No. 1 spot among Indian aviation firms. Not only has it achieved that with 43 planes, versus

Kingfisher's 66, just five years into operations, it is the most profitable in the Indian airline business. It is an unlisted airline and not required to make its revenues and profits public, but company insiders say its 2010/11 revenues were around ₹3,200 crore and net profits ₹700 crore. Kingfisher reported a loss of ₹1,027 crore on ₹6,396-crore sales the same year.

The man who bested Mallya and, indeed, most of the Indian airline industry is Rahul Bhatia, a business-



**"Innovation is the ability to see change as an opportunity - not a threat."**



*Enjoy Banking with us through state-of-the-art technology*

### **Our products/services for your comfort and delight**

- Insta International Visa Debit card
- Maha Connect (Internet Banking)
- Maha Mobile (Mobile Banking)
- E-payment of Taxes
- Tax Payment Facility through ATMs
- Maha e-Trade (Online Share Trading)
- Demat Services
- Special Current Account Schemes  
Pearl / Sapphire / Diamond
- Yuva Yojana Savings Account
- Mahabank 'Zero Balance' Salary A/c Scheme
- Mahasaraswati R.D. Scheme for Students
- Mahalaxmi Term Deposit Scheme
- Home Loans
- Education Loans
- Vehicle Loans
- Mahabank Salary Gain Scheme (OD against salary)
- MSME Loans
- Executor & Trustee Services through METCO
- SBI - BoM International Credit Card

**New**

**76 Years of Service to the Nation**

**1546**  
Branches  
all over India



**बैंक ऑफ महाराष्ट्र**  
**Bank of Maharashtra**  
**ONE FAMILY ONE BANK**

**500**  
ATMs  
all over India

A Government of India Enterprise

All India Toll Free No. 1800-222 340 / 1800- 220 888

website : [www.bankofmaharashtra.in](http://www.bankofmaharashtra.in) For Internet Banking website <https://www.mahaconnect.in>



man whose family made its millions in the air-ticketing and travel trade. Bhatia, who stands over six feet yet does not look tall, is an unlikely entrepreneur behind IndiGo, which like other low-cost airlines in the world offers just two-and-a-half-feet of space between rows of seats in its aircraft. But in a country where the average man stands five-feet-five-inches, passengers do not seem to have noticed. Instead, they have flocked to IndiGo, making its flights the most crowded in the industry with a load factor of 89 per cent.

In a market that today flies around five million people a month and is projected to grow 7.5 times by 2020, IndiGo has a clear headstart – one earned by careful planning, patient capital and attention to detail and execution, run by a 4,000-strong team that lives by its “on time, hassle-free” service motto.

At the 2005 edition of the biennial air-show at the Le Bourget airfield on the northern reaches of Paris, the biggest such event in the aviation industry, little-known IndiGo made a splash by placing an order to buy 100 Airbus A320 planes to be delivered by 2015. The 180-seater planes started arriving about 18 months later at the rate of about one a month. That baby-step-by-baby-step expansion continues. Six years later, in January, 2011, IndiGo signed a deal to buy 180 aircraft between 2016 and 2025 – effectively, one plane to join the airline every 20 days.

The first 100-plane deal, Kapil Kaul, Chief Executive, South Asia, Centre for Asia Pacific Aviation, an industry consultancy firm, believes was a game changer. “That order got IndiGo a great price, which allowed the airline to actually book revenues on every aircraft it received instead of

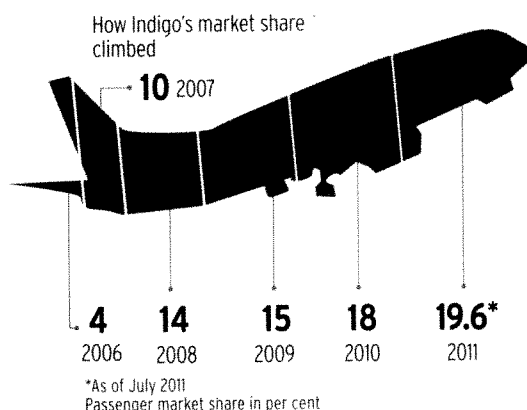
worrying about funds. Being fully funded and having a great business case, it was able to concentrate on brand building and achieving operational excellence.” Having Rakesh Gangwal, former CEO of US Airways, on board as a co-founder and minority shareholder has also helped.

IndiGo President Aditya Ghosh – Bhatia was not available for inter-

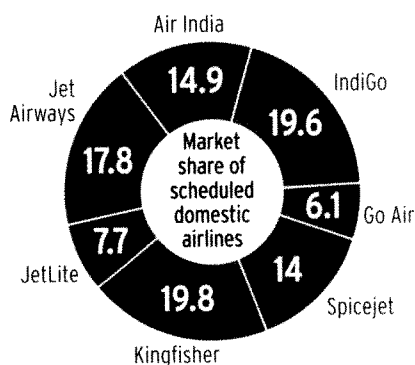
has one plane for every 50,000 people.” To put IndiGo’s ambitions in perspective, Singapore Airlines, which will start a low-cost carrier in 2012, has 107 planes and 116 on order, including optional extras. A better comparison will be with Air Arabia, a low-cost airline from the United Arab Emirates, or UAE, which has 23 aircraft today and another eight on order.

### Taking off

In five years, IndiGo has won 19.6 per cent market share to grab second spot



The airline is neck and neck with Kingfisher



Figures for July 2011.

Source: DGCA

views – thinks it is business as usual in the red-hot market for airline services. “We haven’t plucked the number out of thin air,” he says of the 280-plane fleet the airline will have by 2025. “I know these look like large numbers, but India is a hugely under-penetrated market. We have just one commercial aircraft for 1.9 million people. The United States

### Go West, Go East

IndiGo next has its sights set on international aviation, and the likes of Singapore Airlines, Air Arabia and AirAsia – a Malaysia-headquartered airline which has perfected low-cost, long-haul operations – are sure to be watching keenly. On September 1, an IndiGo A320 plane docked at Terminal 3 of New Delhi’s Indira Gandhi International Airport for the first time. As a low-cost carrier, it usually operates out of Terminal 1, but this was its first-ever flight outside India’s boundaries and the omens were good. The flight to Dubai took off almost full.

There is, says Ghosh, “massive potential for regional flights between India and the Arabian peninsula and South-East Asia, where there is a significant population of people who travel back and forth.” He expects a repeat of what happened on domestic routes after low-cost carriers started operations in India to play out on the international legs, too. “Five years ago, you paid ₹10,000 to

fly between Delhi and Bangalore; now you pay ₹4,000 to 5,000.” IndiGo has introductory to-and-fro fares of ₹9,999, including taxes, on the Delhi-Dubai and the Delhi-Bangkok legs. The lowest return fare to Singapore from Delhi is around ₹18,000 today. IndiGo’s services linking Kerala to the UAE and Kolkata to Bangkok are to start late this year.



Hilton New Delhi/Janakpuri



# India. A World of Difference Just a Hilton Away

Warm, vibrant and inviting. Enjoy all of India's diversity with Hilton Hotels in Chennai, Mumbai and New Delhi.

From colourful traditions to rich cultures, experience the sights, sounds and scenes of India that will stir your imagination like never before.

Discover a whole new world in India where there is always a Hilton awaiting you.

**For more information and to make a booking,  
visit [hilton.com/india](http://hilton.com/india) or call 000 800 440 1071.**

Hilton Chennai  
Hilton Mumbai International Airport  
Hilton New Delhi/ Janakpuri  
Eros Hotel - Managed by Hilton New Delhi Nehru Place  
Hilton New Delhi Mayur Vihar (Opening Soon)

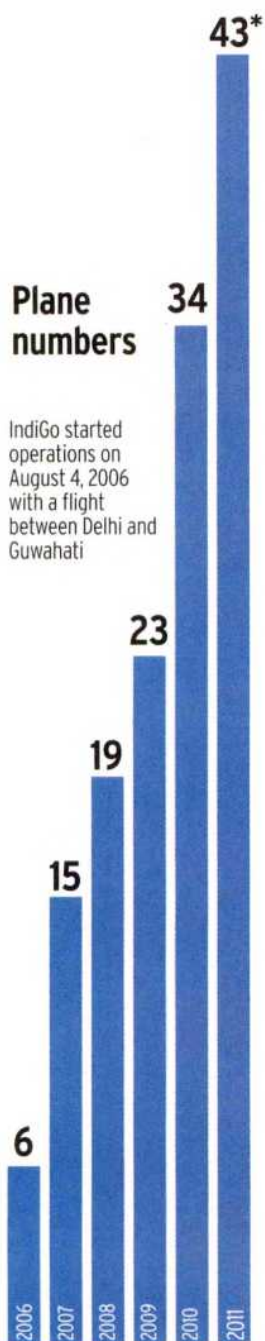






**"India is a hugely under-penetrated market; we have just one commercial aircraft for 1.9 million people. US has one plane for every 50,000 people."**

Aditya Ghosh, President, IndiGo



IndiGo started operations on August 4, 2006 with a flight between Delhi and Guwahati

IndiGo's fleet count. It is expected to close the year with a fleet of 48 aircraft.  
\*As of August 17, 2011 when IndiGo took delivery of its latest plane.

Affordable fares coupled with quirky advertising campaigns with IndiGo's signature 'arrowplane' logo have helped it gain mindshare. But, as almost everyone who flies IndiGo will vouch, advertising and smart-looking stewardesses count for nothing if flights are late, and IndiGo has an enviable on-time record of around 90.2 per cent for months on the trot. The airline's first few international flights are experiencing load factors of close to 95 per cent and – the early success counts little – they are on time.

IndiGo's rapid growth has meant that it has been recruiting personnel – pilots, stewardesses, ground handling staff and managers – at a frantic pace. It is expected to hire over 1,000 people in 2011 alone. With these numbers, challenges of preserving the company's culture kick in, points out Kaul. This is something Ghosh, who flies to each of IndiGo's 26 domestic destinations to address staff the first quarter of each financial year, is acutely aware of. By October-end, IndiGo will also have four international destinations. "This is a truism, but what really makes the difference is the people. Everyone in India has similar fares, same airport charges, same fuel costs, same salaries... yet, we are the fastest growing low-fare carrier in the world," he says.

In an earlier interview with *BT*, Ghosh gave an example of how the IndiGo staff at the Chennai airport gave feedback to the senior management that the airline was often short of wheelchairs. This was puzzling because the company had followed the same count it did at other airports based on passenger estimates. The requirement at Chennai, IndiGo figured, was disproportionately higher because there were

more people flying in and out for medical treatment. "So we gave a bigger budget for wheelchairs. This was a simple idea but had huge customer impact," Ghosh had said in April.

The airline, which earlier ran role-specific training programmes like any other airline, decided to merge training into one central operation with three segments: one, functional skills training aimed at specific roles like that of pilots, in-flight crew, ticketing attendants, baggage handling, among others. The next segment was coaching for customer service and soft skills. Last came leadership training at all levels. This last segment of training, Ghosh insists, has helped the airline. "The way it is in our industry, a pilot is functionally just a pilot no matter how many years he has done. Then, after 30 years of service, you make him a vice president of flight operations and expect him to manage 500 pilots," he says, explaining why the Indian airline industry has not produced enough leaders from the ranks.

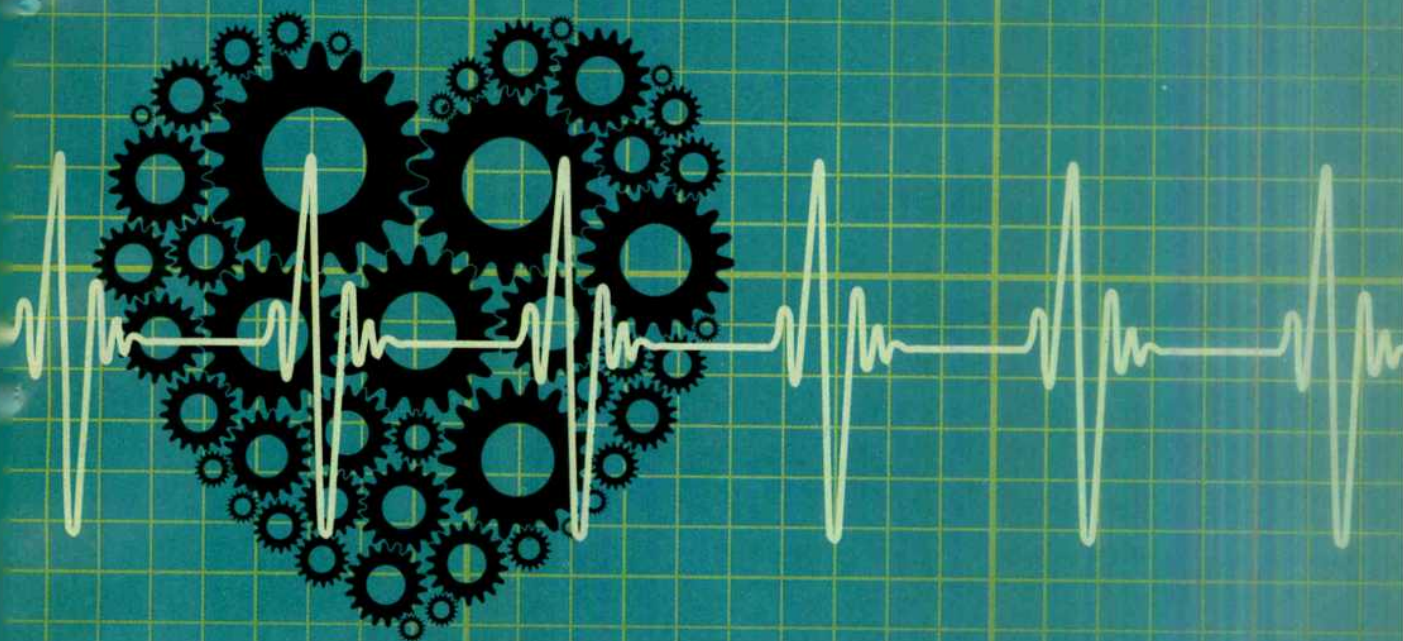
Kaul, the aviation consultant, also sees other risks before IndiGo succeeds globally. "It is a different ballgame on international sectors against the likes of AirAsia and the new proposed low-cost carrier from Singapore Airlines, which will use 400-seat Boeing 777s."

Also, IndiGo's business model, which requires it to generate enough cash to make monthly lease payments, could crimp its ability to sustain low international fares when faced with rivals with deep pockets.

There are rough pockets that IndiGo will fly through in the years ahead, but for now the best bet is to live up to its airline code: 6E. Sexy, indeed. ♦

ADDITIONAL REPORTING BY PUJA MEHRA





## Over five decades of being the lifeline of India Inc. And still going strong.

**Elecon Engineering. Asia's largest gear company.**

Driven by excellence since 1951, Elecon is Asia's largest gear manufacturing company enjoying a significant presence in India and abroad. Elecon's proven expertise in technology and innovation has enabled it to successfully decipher the changing requirements of the industry and churn out technologically superior products from time to time. No wonder then that today Elecon is the supplier of choice to core sectors like Sugar, Cement, Chemical, Fertilizer, Steel, Power, Plastic Extrusion and Rubber, among others.

**Elecon Engineering. Gearing Industries. Gearing India.**



**Dual Tandem Gear Box**



**Fluid, Geared & Flexible Couplings**



**SNU Worm Gear Box**

**ELECON ENGINEERING COMPANY LIMITED** Post Box # 6, Vallabh Vidyanagar, 388 120, Gujarat, India.  
Gear Division: Tel.: +91(2692) 236469, 236513, 236516. Fax: +91(2692) 227484. E-mail: [info@elecon.com](mailto:info@elecon.com)  
MHE Division: Tel.: +91(2692) 237016, 236521, 236590. Fax: +91(2692) 227020. E-mail: [info@mhe@elecon.com](mailto:info@mhe@elecon.com)

**EMTICI ENGINEERING LTD.** Marketing & Servicing Company Regd. Off: Vallabh Vidyanagar.  
Branches: Ahmedabad, Asansol, Bengaluru, Bilaspur, Chennai, Dhanbad, Indore, Jamshedpur, Kolkata, Madurai, Mumbai, New Delhi, Nagpur, Pune, Secunderabad & Vadodara. [www.emtici.co.in](http://www.emtici.co.in)

**ELECON**

*Always a step ahead in technology*



**Gears**





PHOTOGRAPHS BY UMESH GOSWAMI/WWW.INDIATODAYIMAGES.COM

# The Persevering Innovator

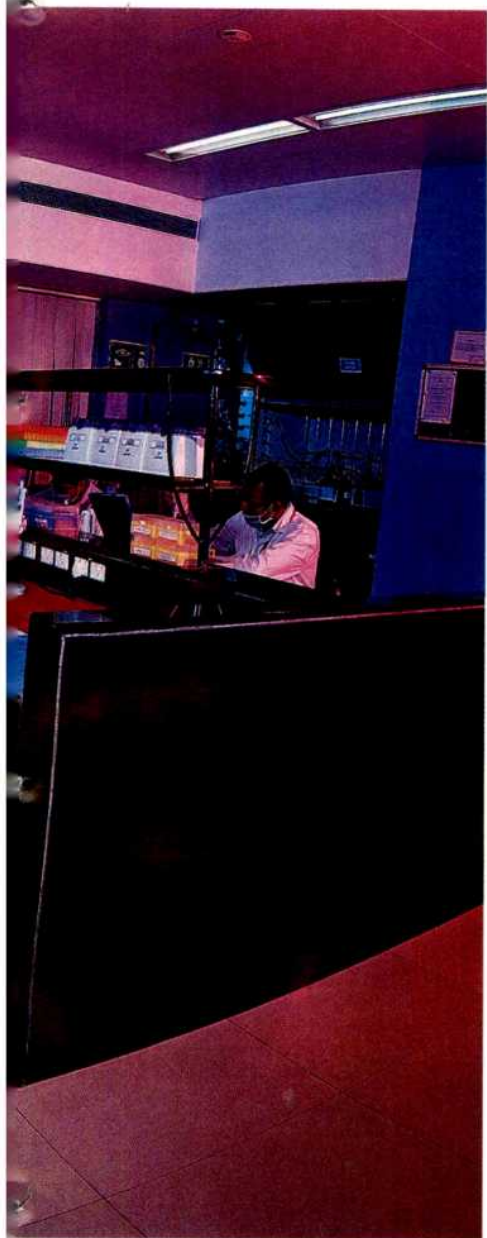
Glenn Saldanha's unflinching drive could take his company into an exclusive club. By E. KUMAR SHARMA

Every Tuesday, unmindful of the gridlocked traffic, Glenn Saldanha, the 41-year-old Chairman of Glenmark Pharmaceuticals Ltd, or GPL, makes it a point to visit his research centre at Mahape in Navi Mumbai. It is the hub of Glenmark's focus on creating new chemical entities, or NCEs, R&D-speak for original drugs. Leading the innovation for Saldanha are his lab coat-clad scientists and researchers

peering into the test tubes, burettes and pipettes at the Mahape facility. "Almost 30 to 40 per cent of my time spent on business goes into issues relating to innovation," he says. That includes thinking about research strategy, deciding on which chemical targets to focus on and which therapeutic segments to chase, and even hiring key R&D talent. Today, out of Glenmark's 600-odd scientists, 400 are involved in NCE research.

The past 11 years have convinced the ardent admirer of Steve Jobs, the iconic former CEO of Apple, that the future lies in innovation. "If you look at how some of the largest corporations of the world were built, it is clear you need to have innovative products," says Saldanha, a pharmacist by training, who voraciously reads scientific journals to stay updated on current scientific thought and trends. "Look at what Apple has





created... that is the way to build a mega corporation, and that is the key reason why, despite our setbacks, we believe so heavily in innovation."

Creating an NCE has been the Holy Grail for Indian pharma companies, including giants such as Dr Reddy's Laboratories and Ranbaxy Laboratories (now owned by Daiichi Sankyo of Japan), but without any major success so far. These companies have reviewed their focus on NCE

## Rough Ride



## It Has Been a Roller Coaster

|         | REVENUES | NET PROFIT |
|---------|----------|------------|
| 2006/07 | 802.64   | 134.80     |
| 2007/08 | 1,372.69 | 389.02     |
| 2008/09 | 856.11   | 217.93     |
| 2009/10 | 1,022.78 | 128.46     |
| 2010/11 | 1,154.63 | 212.18     |

Market capitalisation as on  
Aug 30, 2011: **₹ 8,797.2 crore**  
Five-year revenue CAGR: **9.5%**

Figures in ₹ crore  
Source: Ace Equity, BT Research

research and some branched into related activities like differentiated products. So has Glenmark, but it also soldiers on with drug discovery as its key focus area. With five molecules currently undergoing trials in various phases (see *Strong Pipeline*), the company now leads the charge of the Indian drug research industry. Even one successful launch, say that of revamilast (for asthma and rheumatoid arthritis), which has potential

peak sales of \$2 billion worldwide, could change the fortunes of the company, though one can never be sure till it actually happens. Next year, Glenmark is likely to have half a dozen compounds in Phase II human trials. Saldanha hopes to hit the market with one or more of his drugs between 2015 and 2017. This potential upside is precisely why Glenmark is in this listing of Tomorrow's Goliaths, and not any of the other bigger or faster-growing companies.

## Undiminished Zest

"Every year we expect two more molecules to get into clinical trials," says Saldanha, his zest undiminished by past failures. "In 2008, in a span of one or two quarters, our entire pipeline pretty much got wiped out, but we never lost our commitment and passion." At that time its most advanced molecule, oglemilast, used for treating patients with chronic obstructive pulmonary disease, had to be abandoned when its Phase IIb trials produced unsatisfactory results. It also had to suspend clinical development of GRC 6211, a compound for treating osteoarthritis pain, because of side effects.

Unlike other companies that reduced NCE development efforts when faced with similar situations, Glenmark persevered. "We never downsized our research team and did not cut back on budgets," says Saldanha. "We did not even cut travel and our scientists continued to participate in major global conferences." It is hardly surprising that his core R&D team has stayed put. Consider Neelima Joshi, 48, Senior Vice President and Head of NCE R&D, who was part of the dozen-odd people who set up the Mahape facility in 2000. Even then, she says, Glenmark's management was clearly focused on innovation and the move was in anticipation of the product patent regime that was to come in 2005.

It was the impending change in India's patent law that shaped the mind of the 29-year-old Saldanha in



### Strong Pipeline

Glenmark has five molecules currently undergoing clinical trials

| COMPOUND          | STATUS                                                  |
|-------------------|---------------------------------------------------------|
| <b>Crofelemer</b> | Preclinical   Phase I   Phase II   Phase III   Approval |

- Completed Phase III for HIV-related diarrhoea in US; Phase II for acute adult diarrhoea in India

**POTENTIAL PEAK SALES** \$80 million (rest of the world)

|                              |                                                         |
|------------------------------|---------------------------------------------------------|
| <b>GRC 4039 (revamilast)</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|------------------------------|---------------------------------------------------------|

- Completed Phase I trials; Phase IIb initiated for asthma, rheumatoid arthritis in five countries; plan to start Phase III for one indication

**POTENTIAL PEAK SALES** \$2 billion (worldwide)

|                |                                                         |
|----------------|---------------------------------------------------------|
| <b>GBR 500</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|----------------|---------------------------------------------------------|

- Phase I completed in US for Crohn's disease; Phase II being initiated; outlicensed to Sanofi

**POTENTIAL PEAK SALES** >\$2 billion (worldwide)

|                  |                                                         |
|------------------|---------------------------------------------------------|
| <b>GRC 15300</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|------------------|---------------------------------------------------------|

- Phase I completed; Phase II to be initiated for neuropathic pain; outlicensed to Sanofi

**POTENTIAL PEAK SALES** >\$2 billion (worldwide)

|                  |                                                         |
|------------------|---------------------------------------------------------|
| <b>GRC 17536</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|------------------|---------------------------------------------------------|

- Currently in Phase I trials for neuropathic pain and respiratory disorders

**POTENTIAL PEAK SALES** >\$2 billion (worldwide)

|                |                                                         |
|----------------|---------------------------------------------------------|
| <b>GBR 401</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|----------------|---------------------------------------------------------|

- Investigational new drug enabling studies initiated for lymphomas, leukaemias of B-cell origin

**POTENTIAL PEAK SALES** >\$1 billion (worldwide)

|                |                                                         |
|----------------|---------------------------------------------------------|
| <b>GBR 900</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|----------------|---------------------------------------------------------|

- Investigational new drug enabling studies for chronic pain to be initiated in end 2011

**POTENTIAL PEAK SALES** >\$1 billion (worldwide)

|                |                                                         |
|----------------|---------------------------------------------------------|
| <b>GBR 600</b> | Preclinical   Phase I   Phase II   Phase III   Approval |
|----------------|---------------------------------------------------------|

- Phase I planned for blood platelet- and heart-related ailments

**POTENTIAL PEAK SALES** >\$200 million (worldwide)

Source: Company

GPL has completed six outlicensing deals since 2004, with a cumulative \$192 million received in terms of upfront and milestone payments

1998, when he returned to India after working with Eli Lilly and PricewaterhouseCoopers to run his father Gracias Saldanha's formulations business. After India became a signatory to General Agreement on Tariffs and Trade, it changed its patent law in 2005 from a process patent, which encouraged creation of copies of blockbuster original drugs with minor process changes, to a product patent, where the original drug's patent itself is recognised in India, thereby prohibiting the creation of copies. This key change, and Saldanha's passion for research, convinced him to steer Glenmark the NCE way.

However, not everyone agrees with Glenmark's approach to NCE development, especially of giving away a promising molecule in the early stages to big multinational companies for further R&D. The argument: outlicensing a molecule at a later stage can give a company better valuations. The alternative is to do what Piramal Healthcare wants to – not outlicense. "We believe in taking the drug from the bench to market," says Dr Swati A. Piramal, Vice Chairperson of Piramal Healthcare, which hopes to deploy the funds it got from sale of its formulations business to Abbott for its R&D efforts. "We are now at the end of the 10 years, having begun in 2002, and we hope between 2012 and 2015, we will hit the market with a new drug."

While Piramal's approach is a bench-to-market one, others such as Sun Pharma have developed a different model. Sun Pharma has created a separate research entity called Sun Pharma Advanced Research Centre, better known as SPARC, whose sustainability is built by making differentiated and innovative "generic-plus" products (in simple language, the risk is less, as the basic ingredient is known, but the company is developing a patented technology and a better-targeted product with intellectual property built in). What is more, the returns from this are to help fund the



research programme.

On the other hand, Hyderabad-based Dr Reddy's, one of the pioneers of India's drug discovery journey, has today rationalised its research programme. It had, in fact, tried out a unique model of creating the country's first integrated drug development company, Perlecan Pharma, which had equity capital commitments from ICICI Venture and other investors. But it soon saw the outside investors exit and brought back Perlecan into the Dr Reddy's fold after delays in progress of candidates were not acceptable to some partners who had wanted early monetisation.

### Beyond NCEs

Dr Reddy's has now widened its scope beyond NCEs to differentiated products and formulations where improvements are made on existing products that have limited competition in the market. Its only Phase III candidate, balaglitazone, a diabetes drug, has yet to deliver the goods: the asset class it belongs to, glitazone, has had to deal with an overhang of safety concerns, especially in cases where there is a prolonged use of the drug. Yet, Dr Reddy's sees sense in Glenmark's model. "It is a viable

**"Even in 2000, our management was clearly focused on innovation and the move was in anticipation of the product patent regime that was to come"**

Neelima Joshi  
Senior VP and Head, NCE R&D

model and a right strategy for a small company as Indian companies do not have the capacity to take the drug on their own to the market," says Satish Reddy, Chief Operating Officer and Managing Director of Dr Reddy's. "They will need to depend on upfront and milestone payments, and royalties."

Analysts are cautiously optimistic as Glenmark will have some six compounds in Phase II only next year. Plus the fact that Glenmark has still not hit the market with a new drug weighs it down. "It has had no material success so far; they may make it big but it is difficult to say right now," says a Mumbai-based analyst.

On his part, Saldanha argues that he has already recovered his R&D investments. "Till date, we have spent about \$120 million in innovation research; against that we have got around \$200 million as upfront and milestone payments," Says Nomura Financial Advisory and Securities in a recent report: "Glenmark has generated outlicensing income every year from 2004/05 to 2011/12 – except 2008/09. Average licensing income has been ₹1 billion over the eight-year period. With seven development assets in the pipeline, we believe Glenmark will be able to continue to book licensing income, although the quantum and timing cannot be predicted."

With standalone revenues of ₹1,154.63 crore and consolidated revenues of almost ₹3,000 crore, Glenmark hopes to hit the \$1-billion mark soon. And if one of the NCEs sails through, the impact on the top-line will be significant – a huge distance travelled for a company that clocked less than ₹100 crore in the late 1990s. Certainly, Saldanha's long drives on the Mumbai roads to his R&D headquarters are proving worthwhile. ♦



# Charge Ahead

Lanco Infratech's project pipeline and international ventures have set it on a trajectory to the super league.

By MANU KAUSHIK



**L**agadapati Madhusudhan Rao, the 45-year-old Executive Chairman of Lanco Infratech, calls himself a lucky man. Or was he just the right man at the right time? Circa the reforms of 1991, Rao was earning his MS in Industrial Engineering in Wayne State University, United States, when brother L. Rajagopal, then chairman of Lanco, made him an offer he could not refuse.

Rajagopal wanted his tiny construction company with annual revenues of ₹2 crore from turnkey projects to set up a pig iron foundry in Tirupati to meet the rising demand

from industry there. Rao, apart from being family, was also a highly qualified engineer. "We built the project in 11 months as against the industry standard of 24 months. It was a big leap that gave us confidence," says Rao over phone from Australia.

The next big jump came in 2000, when Andhra Pradesh opened up power generation to the private sector and Lanco jumped into the bidding to win and set up a 368-megawatt, or MW, gas-based project in Kondapalli.

Today, Lanco (an acronym for Lagadapati Amarappa Naidu & Co.) is India's largest private sector power company, with an installed capacity

of 3,292 MW, ahead of Tata Power (3,182 MW), JSW Energy, Adani Power and CESC. It plans to stay that way, aiming for a capacity of 15,000 MW by 2015. While Lanco has five verticals—power, EPC or engineering-procurement-construction, solar, infrastructure and natural resources—power and EPC are the mainstays of its revenues.

Chief Financial Officer J. Suresh Kumar says Lanco is all about integration. In power, Lanco is into construction, development, operations and management, or O&M, transmission, and trading. "Except Reliance Power, Jaypee and us, no other player

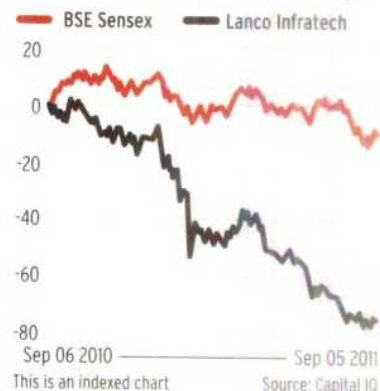




**Power-man:**  
L. Madhusudhan Rao in  
his Gurgaon office

## Tough Times

The current slowdown has hit Lanco's stock, but business growth is strong



Rising revenues and profits too have taken a knock in 2010/11

|         | REVENUES | NET PROFIT |
|---------|----------|------------|
| 2006/07 | 541.67   | 73.06      |
| 2007/08 | 1,556.08 | 200.18     |
| 2008/09 | 4,051.24 | 264.87     |
| 2009/10 | 5,797.94 | 486.38     |
| 2010/11 | 5,721.04 | 278.32     |

Market capitalisation: **₹4,117 cr**  
Five-year revenue CAGR: **80.3%**

Figures in ₹crore  
Market cap as on 30 August 2011  
Source: Ace Equity, BT research

is in the value chain from day one."

Because of Lanco's engineering capabilities, it has won orders from other players such as Moser Baer and Mahagenco to set up projects for them: a 1,200 MW project for Moser Baer and a 1,980 MW one for the latter. Kumar says the business of building power projects has huge potential. "India will be spending close to \$1 trillion over the next 20 years in adding capacity," he says. "New players will have to either rely on international EPC contractors or us. We certainly offer a better value proposition."

It is not just thermal power

projects that excite Lanco. It is developing solar photovoltaic, or PV, as well as solar thermal farms, too, with a total capacity 300 MW, including around 130 MW for clients.

Rao reckons that thermal tariffs will rise over the next six to 10 years, and converge with the high feed-in tariffs now offered to solar power producers. "When solar and thermal tariffs converge, people will start shifting. We are building for the future," says Rao. Lanco has taken its solar business to Europe and the US as well.

This March, Lanco bought Australia-based Griffin Coal for A\$730 million, or ₹3,400 crore, to

secure its coal supplies, and so entered the mining sector. India's coal production will fall short of demand by 200 million tonnes per annum, or MTPA, by 2015, making coal imports essential. Griffin's current production is four MTPA; by 2015, it will be 15 MTPA. The Griffin acquisition has hit a rough patch, with a client, Perdaman Industries, suing Lanco for breach of contract, but Rao is confident the matter will be resolved. Griffin commands reserves of over one billion tonnes of coal, and has a strong team.

Entering businesses aggressively is in Lanco's genes. In 2006, it had



## The A Team



**G. Bhaskara Rao,**  
Executive Vice Chairman

One of the founding members of Lanco, Rao heads the construction division. His project planning and execution expertise are key to projects being delivered on time

**J. Suresh Kumar,**  
CFO

With vast experience in the equity capital market and fund raising advisory, Kumar's role is and will be focused on resource mobilisation



**G. Venkatesh Babu,**  
Managing Director

A chartered accountant, Babu's key responsibilities include project financing and strategic partnerships, and looking for emerging opportunities in the infrastructure space



bagged the Sasan Ultra Mega Power Project with a tariff offer of ₹1.19 a unit, then considered unrealistic. It later lost the project to Reliance Power over alleged discrepancies during bidding.

C. Parthasarathy, Chairman of Karvy Group, says: "Lanco does give the impression of a group with a vision and a desire to chart an aggressive growth path. How they keep pace with their aggressive growth plans is to be watched."

The numbers tell the tale. Lanco's revenues have grown from ₹542 crore in 2006/07 to ₹5,721 crore in 2010/11 – a compound annual growth rate, or CAGR, of over 80 per cent. This is way ahead of rivals such as IVRCL Infra (24.93 per cent CAGR), Gammon India (31.85 per cent), Thermax (22.35 per cent) and Punj Lloyd (18.79 per cent).

In 1991, while returning to India from Detroit in US, Rao's situation was completely different. "I was very hesitant... The pull to stay back in US

was bigger than coming to India and joining the family business," he says.

Today, his aim is to achieve the size and scale of global EPC giants such as Bechtel, Fluor Corporation and SNC-Lavalin. "In India, there is no comparable EPC company," he says. "Indian companies are more of construction companies than pure-play EPC." The efforts are paying off. In June this year, Lanco won its first international order to build two gas-based power plants for the Iraqi government. It is also looking at power projects in Bangladesh, Indonesia and West Asia.

Lanco has always been seen as a regional player that benefitted from the political patronage provided by Rajagopal, its erstwhile promoter, who quit the business in 2002 to join the Congress party. In 2009, Lanco shifted its base from Hyderabad to Gurgaon near Delhi. Lanco had outgrown Hyderabad; being in Delhi brought it closer not just to the centre of power, but also to a huge talent

pool, because the capital is also the headquarters of public sector corporations such as NTPC and BHEL.

Even as a student in the US, Rao used to dream big, often visiting Rolls-Royce dealerships even though he could not afford the cars then. Today, he owns a Rolls-Royce Phantom and a Ghost, apart from a Bentley and a Mercedes-Benz S-Class. And on the fifth floor of Lanco House, one of the four office towers it has in Gurgaon, where Rao and his core team are based, paintings by the likes of M.F. Hussain, Anjolie Ela Menon, Francis Newton Souza and Satish Gujral adorn the walls.

From an asset base of \$500 million and 450 employees in 2005, Lanco has grown to \$5 billion and 7,000 employees. The next milestone, as Rao puts out, is to reach \$15 billion asset size and 20,000-plus employees by 2015. "The plan is to build, consolidate and build, and take some giant steps to join the global league," he says. ♦



# My Life History.

99 coffee spills  
1 failed attempt in the kitchen  
17 pints of beer  
5 melting ice creams  
21 trips to the movie theatre  
9 mixed colours in the wash  
256 power meetings  
3 adventurous nature walks  
10 business lunches  
38 presses under a hot iron  
3 sporting events

Protects your apparels from everyday stains. Keeps them breathable, easy to care and looking new for longer. For more information, visit [www.teflon.com/fabricprotector](http://www.teflon.com/fabricprotector).

Apparel with Teflon® Fabric Protector available with

Park Avenue

parx

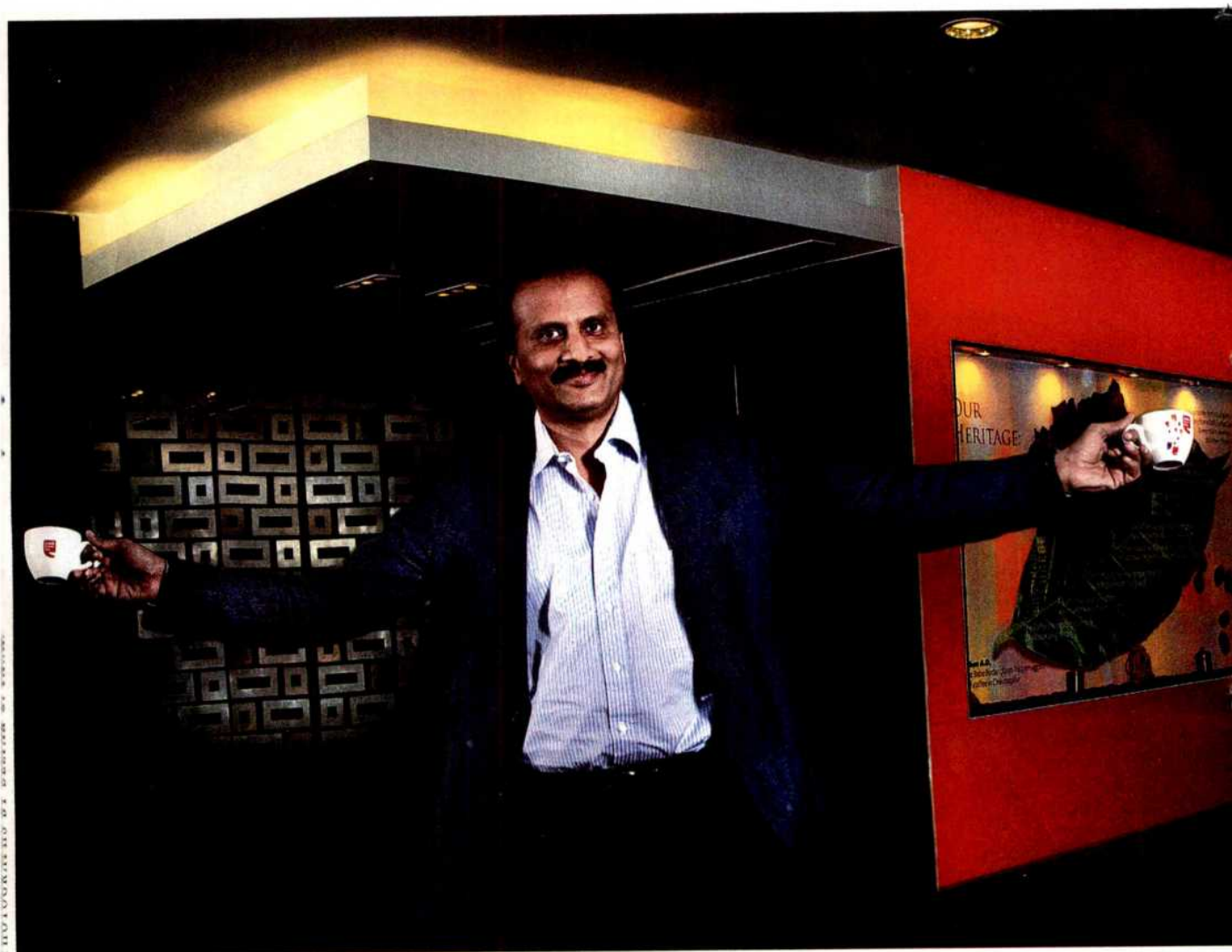


TNG! SELECT



Copyright © 2011 DuPont™ and Teflon® are trademarks or registered trademarks of E.I. du Pont de Nemours and company or its affiliates. All rights reserved.





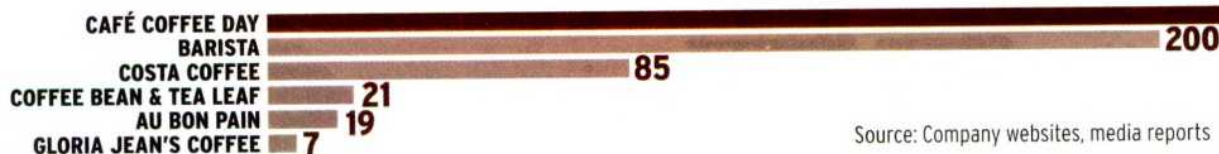
**I**n August 1996, a lanky 35-year-old, with some money made in stock trading, and wealth inherited from planter parents, opened a coffee outlet on one of Bangalore's high streets. His promise was audacious: he would sell espressos and lattes in filter coffee country. To that extent he was unsure of the future.

Fifteen years later, in the same

month of August, the last feeling V.G. Siddhartha has is that of doubt. With some 1,174 Café Coffee Day, or CCD, outlets in the country, his coffee empire is frothing. From Katra in Jammu & Kashmir to Krishnagiri in Tamil Nadu, from Shillong in Meghalaya to Sangli in Maharashtra, and most towns that count in between, his retail chain touches a million users every day in one avatar

or the other: CCD delis, Xpress kiosks, Fresh & Ground coffee powder vends.

The next stop on the radar before Siddhartha, a six-foot-tall billionaire who eschews attention, is your kitchen counter. At a recent meeting in his office on Bangalore's Vittal Mallya Road, CCD's Founder-Chairman showed off a single-serve coffee machine that can dispense a cup of coffee – espresso and, if you



Source: Company websites, media reports



# Coffee Raj

Like a shot of super-heated steam, V.G. Siddhartha has shaken up the somnolent Indian coffee business. His story is just beginning. By K.R. BALASUBRAMANYAM

add milk, cappuccino or latte – in 20 seconds flat. Branded Coffee Day Wakeup, the five kg, 30 cm tall machine, is scheduled for launch later this year.

Siddhartha will not say as much but the machine is a knock-off of Nestle's Nespresso and its several clones that have taken the West by storm with their easy-to-use coffee pod-and-machine combination. He

thinks the product, based on an Italian patent and worked upon further by an in-house 10-person research and development team, will succeed because it is going to be "attractively priced" – under ₹5,000 apiece, and the coffee capsule, with seven grams of coffee powder, at ₹10, according to the industry buzz. Comparable products by companies such as Italy's Lavazza retail for

around ₹15,000.

Taking on global brands is the next phase in Siddhartha's business trajectory. "My dream is to see ourselves among the top three retail coffee brands in the world. It may take 10 years for us to build ourselves as decent global players in the coffee industry," he says. By number of coffee outlets, his retail chain today figures among the top six globally,

1,174

## The Coffee Footprint

Café Coffee Day is far ahead of its rivals in India in terms of number of stores





**Shwetha Shetty**  
President, International Division, Café Coffee Day  
Drives global expansion

**A. Venu Madhav**  
COO, Café Coffee Day  
Runs sales, expansion and people practices

**Shankar Narayan D.**  
President, Coffee Day Beverages  
Oversees vending machines biz

**Rajeev Gupta**  
President, Coffee Day Exports  
Oversees green bean exports

**K. Ramakrishnan**  
President, Marketing, Café Coffee Day  
Oversees marketing activities

**Puttaraj A.G.**  
President, Coffee Day Xpress  
Drives business in kiosk format, oversees product development

**Jayanth C.J.**  
President, Coffee Day Fresh & Ground  
Heads roasted bean and coffee powder business

**Jayaraj C. Hubli**  
CFO, Amalgamated Bean Coffee Trading Company  
Has the finance view of operations

**Sadanand Poojary**  
Company Secretary, Amalgamated Bean Coffee Trading Company  
Oversees legal and corporate affairs

### The ATeam

behind Starbucks, Dunkin' Donuts, Tim Hortons, Costa Coffee and McCafé, some of which are part of bigger chains. "Our own target is to have 2,000 stores in India and 200 overseas, mostly in Eastern Europe, by December 2014," he says. In India, Delhi and Mumbai will remain the hotspots of growth, he adds.

Independent marketing experts think Siddhartha's ambition to have CCD among the world's top three coffee chain brands may be a stretch but is not unachievable. "Their Indian growth is more or less assured. As for global expansion, it all depends on how they differentiate themselves from other global chains," says Y.L.R. Moorthi, Professor (Marketing), Indian Institute of Management, Bangalore. "Within India, the entry

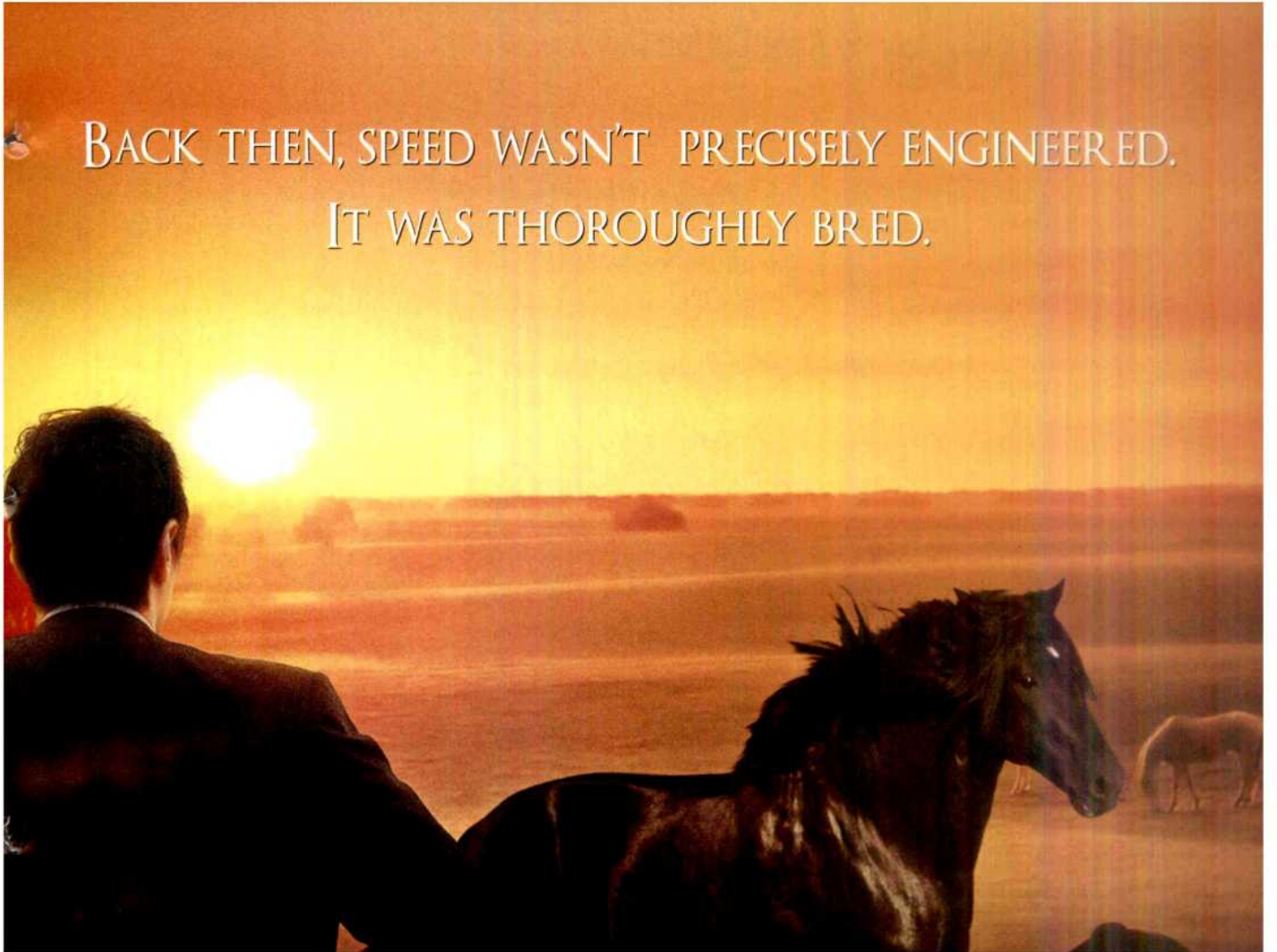
of MNC café chains might at worst only slow Coffee Day's growth, they cannot derail it. Where MNCs typically find India difficult is in getting their pricing strategy right. Several MNC brands have discovered how to price only after many iterations."

Private equity firms such as New Silk Route Advisors, Standard Chartered PE, and Kohlberg Kravis Roberts want to be a part of the journey. They invested ₹1.027 crore in the holding company of the Coffee Day Group last year. Siddhartha "is several times the size of his closest competitor; he recognises the elements needed to upscale and has improved on them," Jacob Kurian, the Bangalore-based Partner at New Silk Route Advisors, told *Business Today* in an interview last year for

the cover story *India's Coffee King* in the issue dated May 16.

Step into any CCD outlet – the chain started two premium, mark-up cafés sub-branded The Lounge and The Square last May – and what is drawing big ticket backers to Siddhartha becomes evident. The coffee is served efficiently, the outlet is clean and the setting relaxed, yet peppy. The typical customer is as old as or younger than the median Indian's 26 years, and is mostly never alone. Half of India having being born after 1983, CCD is today one of the widely discussed brands on the Net and the company likes to call itself 'India's largest youth aggregator'. From a global perspective, the Indian café market is small, but within India, cafés are big business.

BACK THEN, SPEED WASN'T PRECISELY ENGINEERED.  
IT WAS THOROUGHLY BRED.





according to retail consultant Harish Bijoor. "Cafés today are emerging to be points of active retail. A café is becoming the crucible of an emerging young India; it is the new *adda* of youth," he says.

CCD opens one outlet every working day, says Chief Operating Officer Amara Venu Madhav. Such an expansion rate will make the chain 1,200-strong before Diwali in the last week of October this year. The chain matches this drive with ruthlessness when it comes to performance falling short of expectations: on an average, it closes an outlet every two weeks.

The retail industry regards Siddhartha as one who has altered the coffee calculus in India by unleashing a wave of café culture. His success brought in global brands to India such as Lavazza – which has a majority stake in Barista; Costa Coffee, Coffee Bean & Tea Leaf and Au Bon Pain, among others, with Starbucks and Dunkin' Donuts expected soon. And, as cafés have grown in number, domestic consumption of coffee has shot up, nearly doubling from 55,000 tonnes in 1990 to 102,000 tonnes in 2009, the latest year for which India's Coffee Board has data.

Of the total consumption, Siddhartha's companies and family – the latter owns and runs some 10,000 acres of Arabica plantations – trade in some one-third by volumes. "Right now, we are consuming far more than what we are growing at our plantations. We buy beans from 10,000 growers and last year, handled 35,000 tonnes of beans. We consumed 6,500 tonnes ourselves and exported the rest," says Siddhartha. Still, trading makes for low margin business with cash profits of three to four per cent compared to the healthier retailing operations.

CCD and other retailing businesses are housed under Amalgamated Bean Coffee Trading Company. Revenues from coffee retailing touched ₹1,025 crore in 2010/11

## Bean Empire

Siddhartha has practically every aspect of the coffee business covered

### Café Coffee Day

**BUSINESS:** Café in three formats of regular stores, The Lounge and The Square  
**PRESENCE:** 1,174 cafés in 165 towns/cities

### Coffee Day Xpress

**BUSINESS:** Kiosks selling coffee, beverages and snacks  
**PRESENCE:** 900 locations

### Coffee Day Beverages

**BUSINESS:** Coffee vending machines  
**IN USE:** 11,000 machines

### Coffee Day Fresh & Ground

**BUSINESS:** Retailing freshly ground coffee  
**PRESENCE:** 400 locations

### Coffee Day Exports

**BUSINESS:** Export of green coffee beans  
**SCALE:** 25,000 tonnes

and expect to top ₹1,200 crore in 2011/12. The chain makes about 10 to 12 per cent of cash profit, which Siddhartha defines as net profit plus depreciation. "If I am able to grow my business at 25 to 28 per cent and earn 10 per cent of it as cash profits. I am happy," says Siddhartha, adding he expects compound annual growth

of at least 20 per cent in the next five years. In other words, ₹3,000 crore by March 2016.

That may not sound very much – Pantaloons, which runs brands such as Big Bazaar, Food Bazaar and KB's Fairprice, recorded revenues of nearly ₹6,000 crore in 2010/11 – but the potential of a retail chain with 2,000 company-owned outlets is immense. Even today, CCD leads among retail chains when ranked by number of outlets. It runs more stores than the likes of Apollo Pharmacy, The Mobile Store or Raymonds. Retail experts say only the Indian Army's Canteen Stores Department, or CSD, has more stores numbering about 3,000.

Think of CCD selling products with what marketers call "strong adjacencies". If coffee and merchandise can be sold, why not high-speed Internet connections, movie downloads and financial products as well, goes the logic. In theory, the potential is immense if the choice of products or services sold is made wisely. "It will work if there is a synergy between the CCD brand and the new product introduced. It is, however, wise not to stretch the brand meaning by expanding into too many product categories," says IIM-B's Moorthi.

Quiz Siddhartha and he is sanguine yet distanced from such a choice. All that he will say is: "We have not thought of any, as of now. But we are open to new concepts and introduce only those that will complement the brand."

Bijoor, the retail consultant, paints the opportunity before the quiet CCD chief executive. In a study that his firm carried out this July in 26 small towns in India, Bijoor ranked Café Coffee Day among the top five brands youngsters could recall. The other four: McDonalds, Reebok, Nike and Levi's. "Café Coffee Day has an opportunity to brand-colonise smaller towns where the aspiration lies," he says. Siddhartha's story may be just beginning. ♦



PRESTIGE  
— THE MAN STORE —



ETHNIC WEAR | club wear | formals | semi formals | casuals | accessories | bespoke tailoring | fine fabrics  
165 Commercial Street, Bangalore | UGF, Mantri square, Malleshwaram, Bangalore | [www.prestigethemanstore.com](http://www.prestigethemanstore.com)



# Atom Corp.

**Despite numerous concerns clouding India's nuclear power horizon, Nuclear Power Corporation promises a chain reaction of successes.** By GEETANJALI SHUKLA



**I**n 1944, Homi Jehangir Bhabha, the founding father of India's atomic energy programme, had said: "Any substantial rise in the standard of living in this region... will only be possible on the basis of very large imports of fuel or on the basis of atomic energy."

How right he was. Today, India imports 76 per cent of its petroleum requirements, nearly 20 per cent of its thermal coal and 19 per cent of its natural gas needs. Despite this, its power deficit is in the double digits.

Bhabha's option – atomic energy – languished and became possible in a big way only after the US-India Civil Nuclear Cooperation Agreement of 2007, which helped India get access to fuel and technology from

the Nuclear Suppliers Group. India had been blacklisted for decades for testing a nuclear bomb and refusing to sign the nuclear non-proliferation treaty.

After the agreement, the government began talking of increasing the installed nuclear power capacity from 4,780 MW to 20,000 MW by 2020 and 60,000 MW by 2032. And Nuclear Power Corporation of India Ltd, or NPCIL, formed in 1987 by the government with the mandate to manage India's atomic power plants and set up new ones, is on a high.

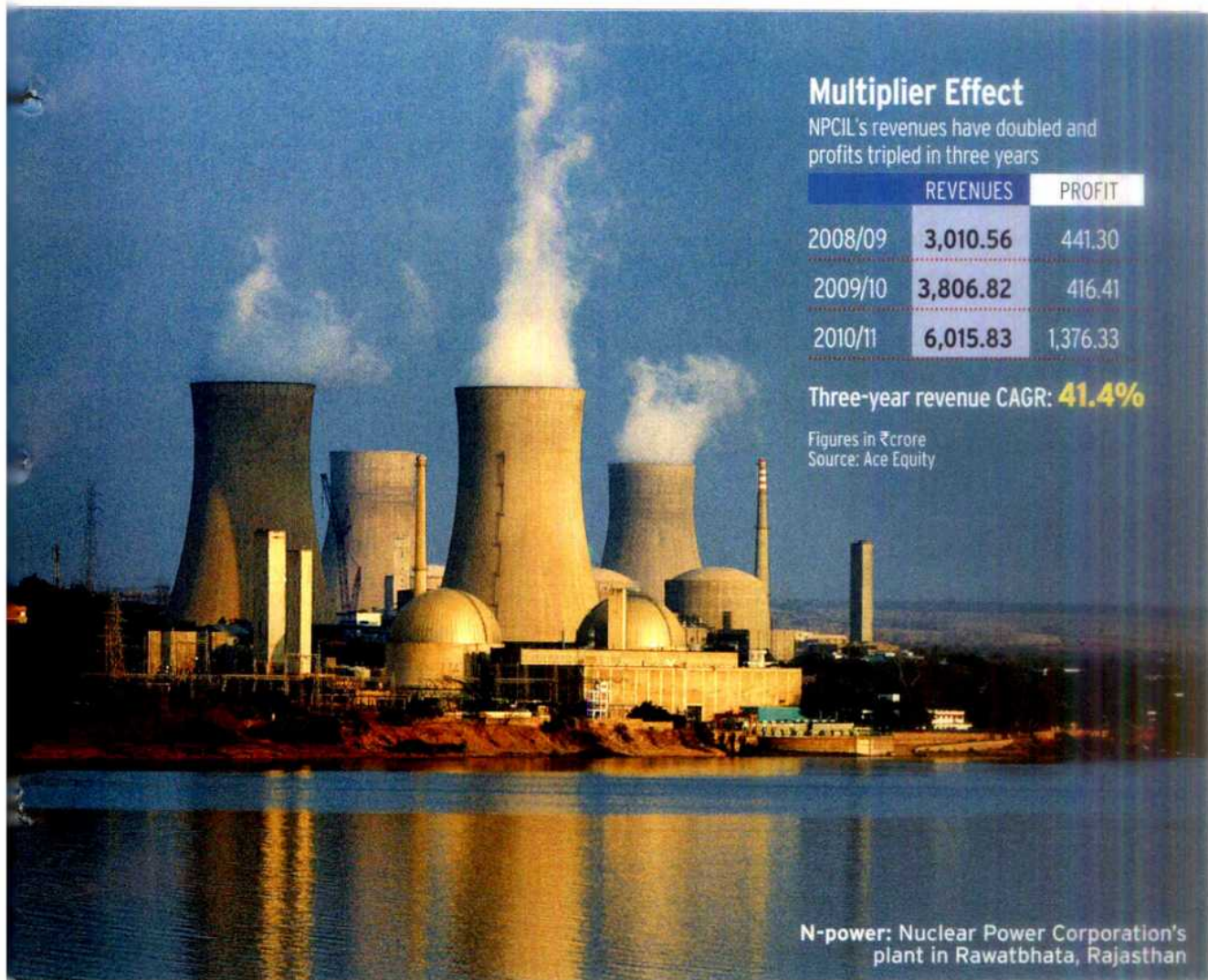
Chairman and Managing Director S.K. Jain was once a harried man who had to ration scarce fuel to NPCIL's many nuclear plants and run them at half the capacity. Jain recalls

he had to appeal for the survival of existing reactors while commissioning a new one. "I said: 'I already have 18 children, four are without food, and one more has been added.' We were operating our reactors at 41 per cent of their total capacity."

Today, technology and fuel restrictions are things of the past and Jain has a problem of plenty. Funds are not a worry, because anybody who wants to get into nuclear power has to make NPCIL a 51 per cent partner and will bring in the money.

By March 2012, NPCIL will have increased capacity to 6,780 MW, including two 1,000-MW reactors being built with Russian help at Kudankulam in Tamil Nadu. It has also announced plans to set up clus-





ters of reactors at Jaitapur in Maharashtra, Kovvada in Andhra Pradesh, Haripur in West Bengal, and Mithi Virdi in Gujarat.

Partnerships with other public sector units or foreign and Indian private companies will be key to NPCIL's growth. One set of partnerships is with foreign suppliers of technology for reactors. The other is with Indian companies who are ready to invest in nuclear power projects.

For technology, NPCIL has signed agreements with Areva of France, GE Hitachi Nuclear Energy and Westinghouse Electric of the US. Russian companies will also help build six reactors at Haripur in West Bengal. Areva is helping it at Jaitapur.

'Help' is the key word: "We don't want turnkey projects as we are not novices," Jain says. NPCIL has the expertise to build reactors of 100 to 540 MW capacity, and needs foreign technology and cooperation only for the larger ones.

But it is access to imported fuel that has shown up immediately in NPCIL's performance. Its profit after tax rose to a record ₹1,376.33 crore in 2010/11, when it could make full use of imported fuel, against ₹416.41 crore in the previous year.

And unlike in coal-fired thermal power plants, fuel costs are not a strain. S.A. Bhardwaj, NPCIL's technical director, says fuel accounts for less than 20 per cent of costs, and prices are also stable internationally. (In a

coal-fired plant, coal accounts for up to 70 per cent of the cost.)

"A 1,000-MW reactor can run for a year on 30 tonnes of uranium. So the amount of fuel needed is much less than in other sectors. Also, when fuel is consumed it produces more fuel, which can be used to increase capacity," he says. Supplies should not be a worry as long as current political agreements hold.

NPCIL has not sought budgetary support from the government since 2005/06, and hopes it will not have to do so till the end of the 12th Plan, in 2017. It will fund its expansion by forming partnerships with public sector giants such as NTPC, Indian Oil Corp and National Aluminium Co, and expects to have one with Oil &



## Betting on Nuclear

### CURRENT CAPACITY

**4,780 MW**

### OPERATIONAL REACTORS

Boiling water reactors

**2 (320 MW)**

Pressurised heavy water reactors

**18 (4,460 MW)**

### REACTORS UNDER CONSTRUCTION

Water-water energy reactors\*

**2 (2,000 MW)**

Prototype fast breeder reactor\*\*

**1 (500 MW)**

Prototype fast breeder reactors\*\*

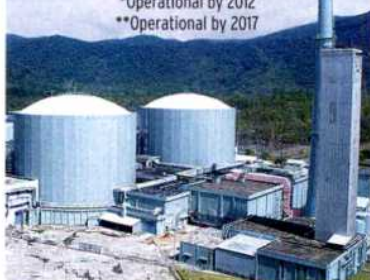
**4 (2,800 MW)**

### PROPOSED CAPACITY BY 2017

**10,000 MW**

\*Operational by 2012

\*\*Operational by 2017



Natural Gas Corporation soon. "Each of these companies is ready to invest ₹10,000 crore," says Jain.

Bhardwaj, tipped to take over from Jain next year, says it was Jain's idea to form these joint ventures, and also diversify into renewable energy. "It is his vision that we diversify to other sources like hydel, wind and solar," says Bhardwaj.

Jain also roped in Larsen & Toubro to make steel forgings that were earlier being imported. So far, L&T is NPCIL's only private partner. While any company can form a joint venture with NPCIL to set up a nuclear power plant, so far only government-owned companies have been allowed into the sector.

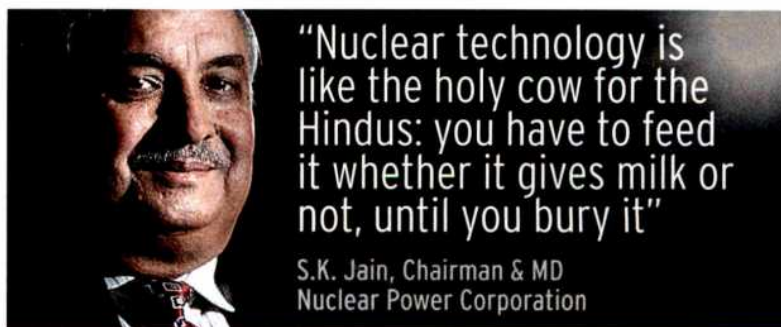
Would private players be able to steal NPCIL's thunder when they come in? "Nuclear technology does

add capacity," he says.

For the moment, nuclear power has again become a sensitive issue in the public mind, following the crisis in Japan in March this year, in which the damage caused by an earthquake and tsunami led to a meltdown at the Fukushima nuclear power plant.

As Jain says, "On March 10 we were heroes. Chief ministers of every state were approaching the Prime Minister to get us to set up a nuclear power plant in their state. The next day, our performance and record were overshadowed by an incident elsewhere."

Fukushima also sparked a global review of nuclear safety procedures and calls for an independent regulator whose mandate is not to promote nuclear energy. But concerns about safety is not the only hurdle nuclear



not have an exit route. It is like the holy cow for the Hindus: you have to feed it whether it gives milk or not, until you bury it. So, private players need to understand that their responsibility extends beyond profitability," says Jain.

Commenting on NPCIL's ambitions, Kameswara Rao, leader of the electricity, power and mining at PricewaterhouseCoopers India, says: "It is an aggressive plan, but achievable with support."

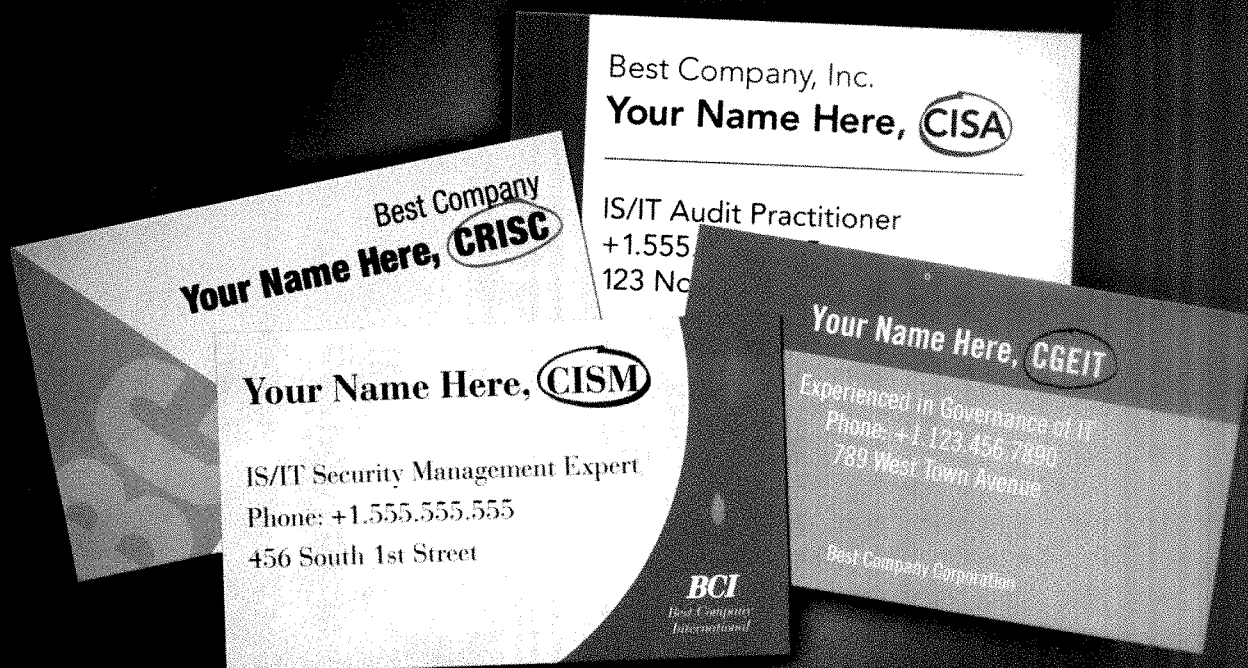
According to Rao, Indian private sector players may not be able to bring in as much expertise and knowledge as NPCIL, but the business is attractive. "It is a fixed asset that continues to pay without having to

projects face. Jaitapur, where the villagers fear the loss of their livelihood, is a more complex issue: can nuclear power spur growth and development? Jain, who has spent a lifetime at power plants in remote areas, says: "I have lived at several plant sites in floodlit colonies equipped with modern amenities, while the people on the other side lived in darkness and deprivation."

PwC's Rao sums up the argument: "Renewable energy sources are technologically some distance from setting up large capacity units. Till then, the gap will have to be filled by nuclear power."

Either way, NPCIL stands to gain the most. ♦

# Demonstrate your value without saying a word.



Résumés/CVs may *list* your experience and knowledge,  
but an ISACA® certification designation after your name *proves* it.

[www.isaca.org/certification-businessstoday](http://www.isaca.org/certification-businessstoday)



**December Exam Date:** 10 December 2011  
**Registration Deadline:** 5 October 2011





**June 2009:** Newly-appointed Managing Director of Axis Bank, Shikha Sharma, enters its headquarters. Though located in Cuffe Parade, one of the most upmarket areas of south Mumbai, there is nothing stylish about the premises. Sharma soon learns that the bank – whose name changed from UTI Bank to Axis Bank in 2007 – operates from leased premises in a dozen different locations. It is near-impossible to hold multiple meetings in a single day at which all those required can be present.

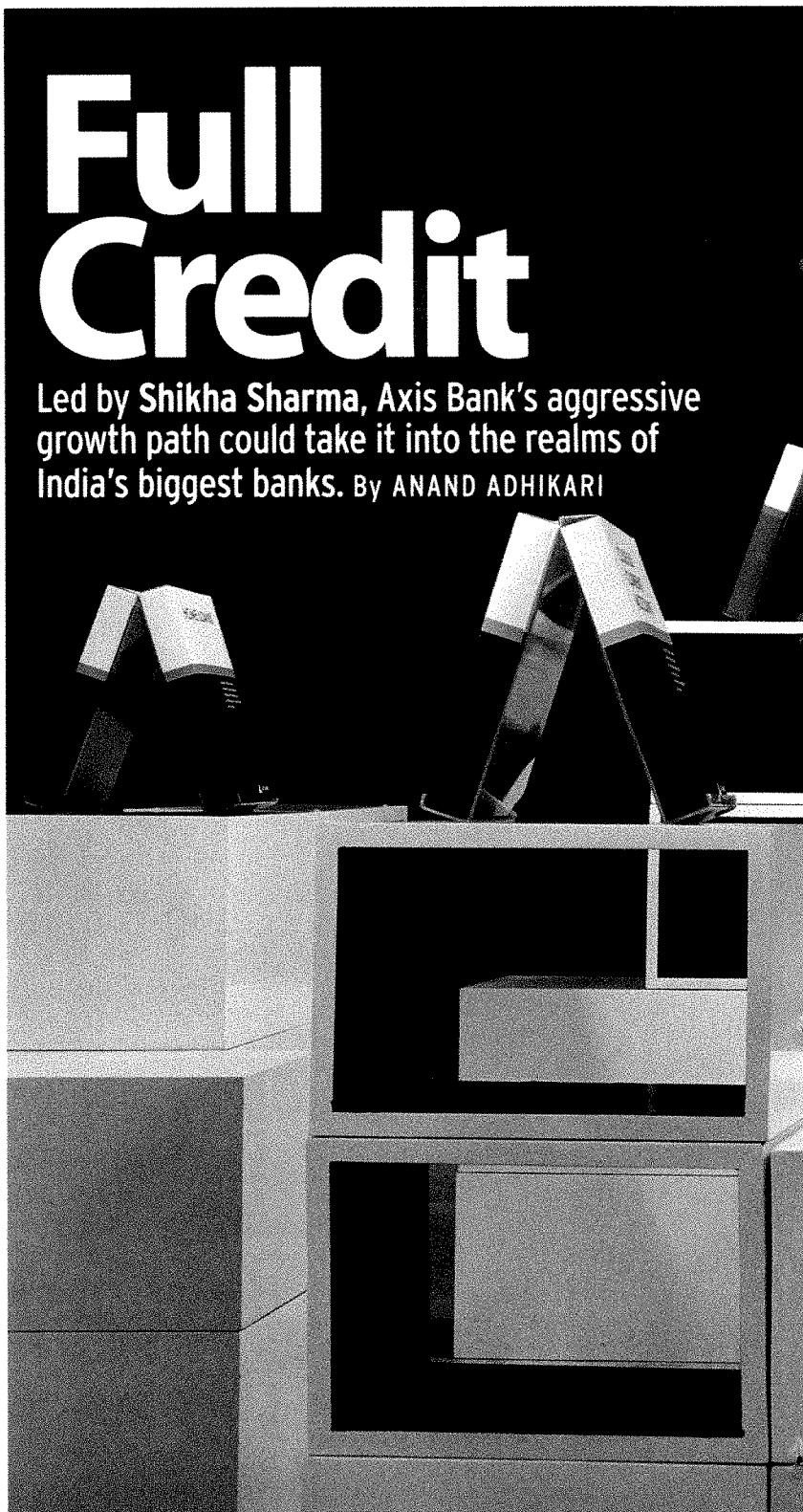
**January 2011:** Sharma steps into Axis Bank's newly-built swank corporate headquarters in Worli, central Mumbai. 'Axis House' is everything the old offices were not. It has eight floors that together make up a vast 350,000 square feet area; it is bathed in natural light; it is full of open spaces, with rows of identical cabins; it has a spacious lobby, a banquet hall and a gym. The building reflects the bank's ethos of transparency, teamwork and focus on the customer, as well as its universal banking approach – providing the full range of financial services at one spot. All the offices, including subsidiaries, are housed in the headquarters. For the bank and its subsidiaries' heads, meetings are just a lift-ride away.

**T**he transformed headquarters is the most visible symbol of the makeover Axis Bank has undergone. "It gives the group an identity and helps from the efficiency perspective," says the soft-spoken Sharma, 52, an alumna of IIM Ahmedabad.

The idea of getting the headquarters of the bank and all its subsidiaries together in a single location had been mooted at Axis Bank for years, but it was only Sharma who was able to implement it. She moved quickly to seal a deal to buy land within what was formerly the Bombay Dyeing Mills compound in

# Full Credit

Led by Shikha Sharma, Axis Bank's aggressive growth path could take it into the realms of India's biggest banks. By ANAND ADHIKARI





PHOTOGRAPHS BY RACHIT GOSWAMI / [www.indiatodayimages.com](http://www.indiatodayimages.com)



**R.K. Bammi,**  
ED, Retail Banking

Looks after retail assets and retail liabilities

**Snehomoy Bhattacharya,**  
Executive Director, HR

Task is to develop leadership pipeline

**Somnath Sengupta,**  
Executive Director, CFO

Takes care of capital requirement and risks

**S.K. Chakrabarti,**  
Deputy Managing Director

Oversees retail, SME, and agri portfolio

## The A Team



Mumbai, when it came up for sale.

However, it is not just the look that has changed – Axis Bank's performance, too, is creating a flutter. Its assets grew 34 per cent in 2010/11 – in comparison, those of the top 10 banks of the country rose 21 per cent. Its profits swelled by 35 per cent in the same year, while the top 10 club's rose 18 per cent. Its market capitalisation of ₹44,293.6 crore makes it the fourth-largest bank in the country – after SBI, ICICI Bank and HDFC Bank – though in terms of balance sheet size, it is still in the 11th position at ₹2,42,713 crore.

Sharma is also focusing hard on the subsidiaries she has brought under one roof, so as to provide universal banking to customers, from savings and loans to investment products. On the first floor, for instance, are the offices of Axis Mutual Fund, headed by Rajiv Anand. Anand's preoccupation is to integrate the mutual fund business with the bank's distribution network of 1,400 branches, churning out products that will suit Axis Bank's existing customers, especially the wealth manage-

ment clients. "The mutual fund is an integral part of wealth management and not a standalone business for us," he says.

On the same floor stands Sharma's newest baby, Axis Securities and Sales, which took on its new identity in April '10. Earlier, known as

Axis Sales, it only marketed the bank's retail products, but Sharma has renamed the company and added retail broking – or online trading – to its services. It is not a new idea considering rivals HDFC Bank and ICICI Bank have been providing retail broking and demat accounts, but starting it has made Axis Bank more competitive. "The idea is to ensure the investor-customer stays with the bank," says Modan Saha, Joint Managing Director, Axis Securities and Sales. There will be no let-up in the marketing of retail products either. "That has helped in high quality asset acquisition," says Arun Thukral, Joint Managing Director in the same company. Indeed, Axis Bank's non-performing assets are among the lowest, a mere 0.26 per cent in the previous financial year.

Another bold move of Sharma's was the acquisition of Enam Securities, a broking firm, last November, in keeping with her strategy of building capabilities in areas such as stock research, mergers and acquisitions, investment banking and equity placement. In May, she

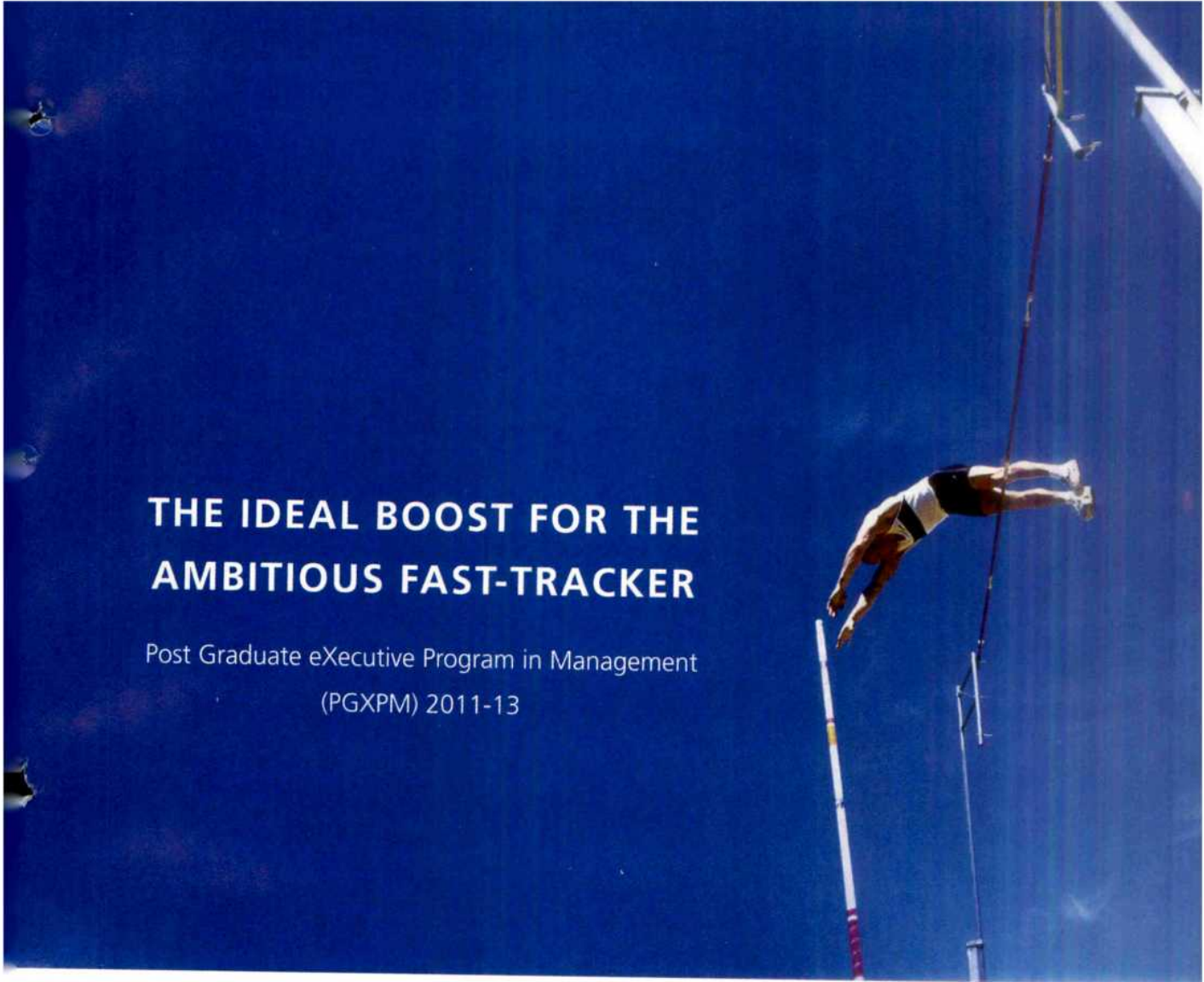
### Axis's Wallet Is Getting Thicker and Thicker

|         | REVENUES  | NET PROFIT |
|---------|-----------|------------|
| 2005/06 | 2,888.79  | 485.08     |
| 2006/07 | 4,560.40  | 659.03     |
| 2007/08 | 7,005.31  | 1,071.03   |
| 2008/09 | 10,835.48 | 1,815.36   |
| 2009/10 | 11,638.02 | 2,514.53   |
| 2010/11 | 15,154.81 | 3,388.49   |

Market capitalisation:  
**₹44,293.6 crore**

Six-year revenue CAGR: **39.31%**

Figures in ₹ crore Market cap as on Aug 30  
Source: Ace Equity, BT Research



# THE IDEAL BOOST FOR THE AMBITIOUS FAST-TRACKER

Post Graduate eXecutive Program in Management  
(PGXPM) 2011-13

The Great Lakes PGXPM Program enables high-performing senior executives to pursue higher learning in formal management education without interrupting their careers.

The program is ideal for functional managers to transit to general managers, the next generation of family managed businesses and senior services officers' planning for transition.

Strategic Collaboration with leading international entities

- Stuart Graduate School of Management, Chicago,

Yale University, Nanyang Technological University and

Bauer School of Business for Energy Management - bring

the curriculum on par with Global Standards. So that

the stars truly rise and shine!

ADMISSIONS OPEN FOR PGXPM 2011-2013

Ph: +91 44 30809000, +91 44 30809014

For more information, e-mail: [pgxpmadmission@greatlakes.edu.in](mailto:pgxpmadmission@greatlakes.edu.in)



MoU



City Office: 19, North Mada Street, Srinagar Colony, Saidapet, Chennai-600 015.

Campus: East Coast Road, Manamai Village, Tamil Nadu, Pin-603 102.

Website: [www.greatlakes.edu.in](http://www.greatlakes.edu.in)



## Balancing Act

### The Challenges

- Increased focus on risk in view of high inflation and rising interest rates impacting borrowers
- Need to increase retail presence
- Need to build second line of leadership
- Tough competition ahead
- Limited overseas presence; difficult to tap Indian firms with global aspirations



### The Strategy

- Expand into credit cards, auto loans, personal loans, retail broking, wealth management, and mutual funds
- Cross-sell, especially to SME customers
- Increase branches and ATMs in smaller towns
- Make lateral recruitments to fill the talent gap

had filled a crucial need of the bank by signing a 10-year strategic deal with life insurance company Max New York Life to design life insurance products for Axis Bank customers. Sharma understands the insurance business thoroughly, having – in her earlier capacity as chief of ICICI Prudential – built ICICI's insurance business from scratch. "These will deepen and strengthen our relationships with clients," says Nilesh Shah, President, Corporate Banking, at the bank.

Task and responsibilities have also been reorganised. Sharma has scrapped the earlier structure at the bank, which divided its operations into four zones. This required each of the four zonal heads to oversee the functioning of 300 to 350 branches. Instead of zones, there are now 26 circles, and each circle head manages around 50 to 60 branches. "The idea is to have better control," says Sharma.

No doubt, Axis Bank's admirable performance is not Sharma's achievement alone. The private sector bank was set up in 1993, promoted by Unit Trust of India, Life Insurance Corporation, General Insurance Corporation and their subsidiaries, and Sharma built on the strong foundation laid by her predecessor P.J. Nayak. Nayak, who was Chairman of the bank, built a strong retail franchise, and a balanced portfolio of individual and corporate customers.

The balance continues to be maintained. Axis Bank is comfortably placed in retail liabilities – or savings deposits – with low-cost deposits comprising almost 60 per cent of the total. Its automatic teller machine network at 6,200 is one of the largest in the country. Its focus on universal banking aims at ensuring a stable fee-based income. Its current share of fee income to operating revenue is high at 34 per cent.

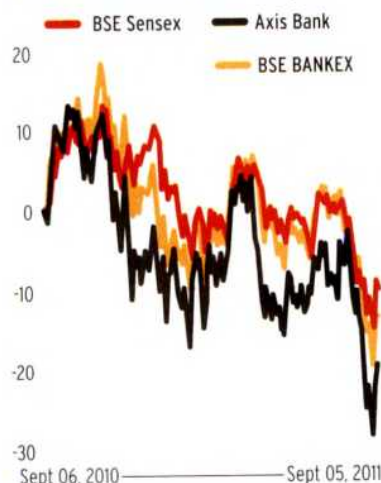
However, there are also areas where improvement is possible. Axis Bank is still underrepresented in retail assets. It has only around 500,000 credit card holders, while rivals like ICICI Bank and HDFC Bank have over

four million each. "We have set up an analytics team which will use data much more scientifically to cross-sell the bank's products," says Sharma. Again, despite all the achievement, Axis Bank's market performance has been lacklustre, with its stock down 25 per cent over the last year, while the Sensex, in comparison, has fallen only around 10 per cent.

But the biggest challenge in the coming days may well be the current economic scenario. "There are stress concerns in Axis Bank's SME portfolio," says Darpin Shah, banking analyst at investment advisory house Dolat Capital. Suresh Ganapathy, analyst at investment firm Macquarie Capital, in his report, expects loans to power companies to pose problems. "We expect restructuring in the bank's power portfolio," he says. Well aware there may be problems ahead, Sharma says she is reconciled to growth being slower in the future than in the past. The bank is working on a risk strategy. "We are looking at growth and risks at the same time," says Sharma.

Moving the bank's headquarters to Worli has brought Sharma a personal benefit – it is much closer to her home than before. Her daily commute to work has grown shorter and so too the time spent stuck in Mumbai's traffic jams. It may just leave her a little more time for her favourite pastimes: watching Hindi films or humming Hindustani classical music. ♦

### On a Downhill Journey



Figures in %. This is an indexed chart  
Source: Capital IQ



.....  
While we are an integral part of your life,  
we also contribute 73.64% crude oil and 48.64% natural gas  
production in India\* in Fiscal 2010  
.....

www ONGC India com

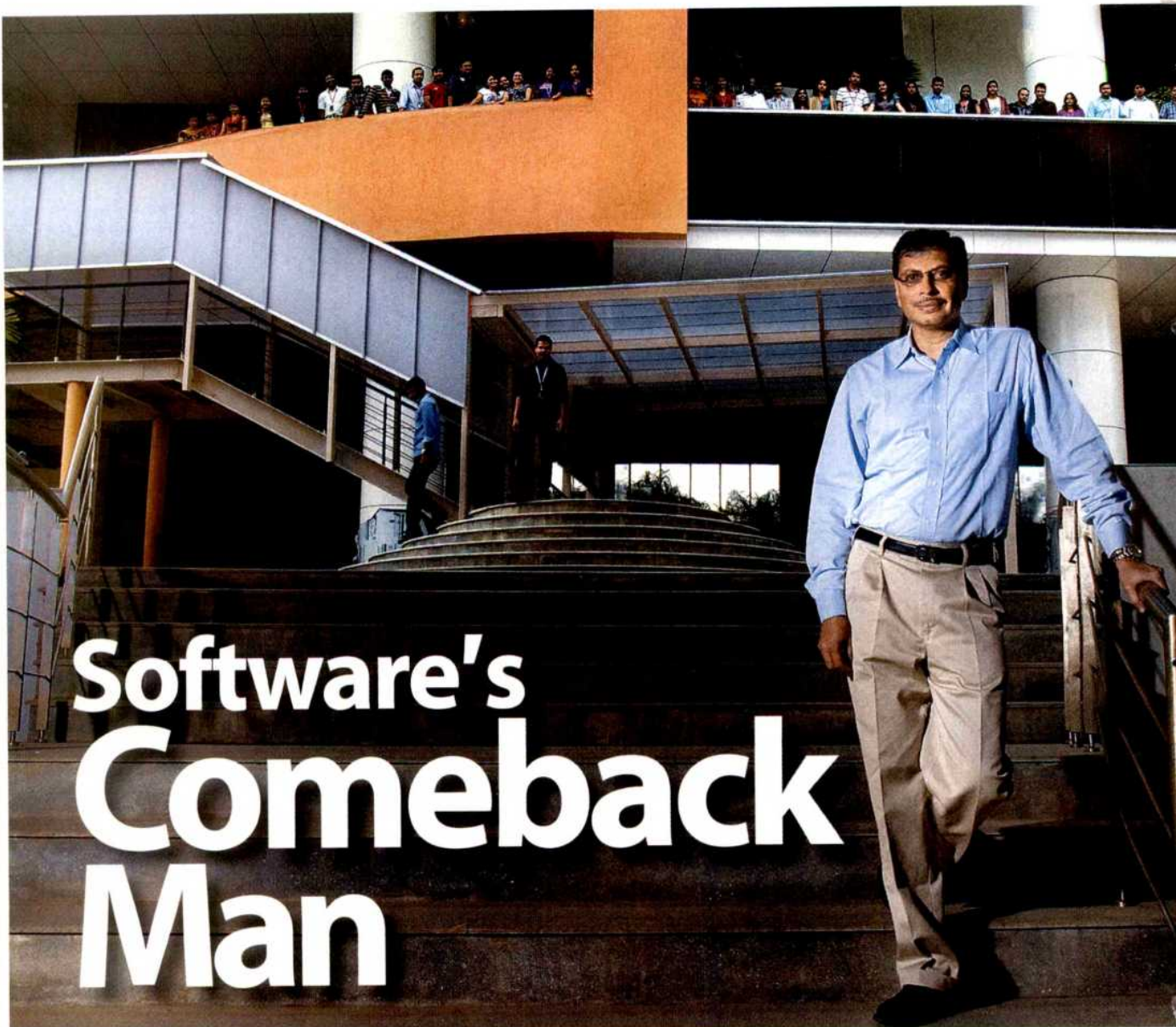
A Maharatna Company



nd Natural Gas Corporation Limited is proposing, subject to market conditions and other conditions, a further public offer of its equity shares and has filed a Red Herring Prospectus with the Registrar of Companies, National Capital Territory of Delhi and Haryana, the Stock Exchanges and the  
ries and Exchange Board of India ("SEBI"). The Red Herring Prospectus is available on the website of SEBI at "www.sebi.gov.in" and the respective websites of the Lead Managers on "www.jitfinancial.in", "www.citibank.co.in", "www.hsbc.co.in/172/corporate/equities-global-  
zment-banking", "www.morganstanley.com/indiaofferdocuments" and "www.nomura.com/asia/services/capital\_raising/equity.shtml". Investors should note that investments in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" of the  
Herring Prospectus. This advertisement does not constitute an offer of securities for sale or the solicitation of any offer to buy securities in any jurisdiction where such offer may be restricted, including the United States (the "U.S."). The equity shares of the Company have not been and will not be  
tered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the U.S. and may not be offered or sold in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in  
rdances with any applicable U.S. state securities laws. The Company does not intend to make a public offer of its securities in the U.S. This advertisement is not to be released in the United States, Australia, Canada or Japan. No money, securities or other consideration from any person inside the U.S. is  
solicited and, if sent in response to the information contained in this advertisement, will not be accepted.

\*Source: Hydrocarbon Exploration and Production Activities, India, 2009-10, report by Directorate General of Hydrocarbons.





# Software's Comeback Man

**Phaneesh Murthy has kept his promise. iGATE will be a billion-dollar company in revenues by 2012. By SUNNY SEN**

**S**ome may call him reckless, but Phaneesh Murthy, CEO of iGATE Corp, the California-headquartered IT firm, is certainly known for his quick decisions. In August last year, following a visit from two officials of a US private equity, or PE, firm, he telephoned his Chief Financial Officer Sujit Sircar. The 30-second call was their first discussion about acquiring Patni

Computers, a Pune software firm with almost three times as much revenues as iGATE.

The two began working out the funding: iGATE, earlier known as Mascot Systems, had only around \$100 million as cash reserve, but would need \$1.2 billion to buy Patni. Serendipitously, Murthy was then also talking to Apex Partners, a British PE firm, on a funding tie-up for

possible acquisitions. He lost no time in linking the two.

About five months later, on January 11, 2011, he sealed the deal to buy Patni from its promoters, and by July, he had completed the first leg of the integration.

Since the Patni acquisition, Murthy has been visiting India more frequently, travelling to Bangalore where iGATE has its India office, and

Mumbai, where Patni was headquartered. The travel does not tire the 48-year-old, whose tastes reflect his impatient self. He loves reading murder mysteries, but stops reading if the book does not include three or four murders within the first ten pages or so. "Or else it does not hold my interest," says Murthy with a shrug.

## Up, Down and Up Again

Murthy's own story has been equally gripping, albeit without murders. He rose to fame in Infosys, today India's No. 2 software firm by revenues, in the late 1990s and became one of its board members. He was often called the 'other Murthy' (as distinct from Infosys founder N.R. Narayana Murthy). But in 2002 he was embroiled in a sexual harassment case in the US, and resigned from Infosys to start his own firm, Quintant Services – which was acquired by iGATE in July 2003. Murthy became iGATE's CEO.

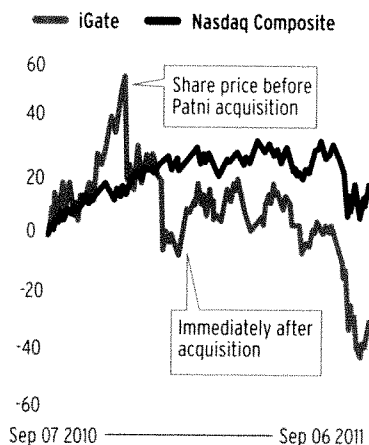
At the time iGATE, 46 per cent owned by founders Sunil Wadhvani and Ashok Trivedi, was an ailing company. It had reported revenues of \$288 million for 2003, down sharply from a peak of \$492 million in 1999. Murthy says iGATE's model was flawed, with over half its revenues coming from providing staffing to its clients. He made an ambitious mission statement then: iGATE would be a billion-dollar company by 2012.

He got down to changing the operating model. The next year in 2004, iGATE was growing again though at a slow pace. It reported revenues of \$307 million in 2007. Then came the global financial crisis of 2008. The entire IT industry slowed down, and iGATE's revenues slipped to \$219 million in 2008 and then to \$193 million in 2009. "The recession pushed us back by two to three years," says Sean Narayanan, Chief Delivery Officer of iGATE. Narayanan remembers how employees would ask: 'How will we reach the billion-dollar target in two years?'

An opportunity came in 2009, when iGATE bid for the beleaguered

## Great Gamble

iGATE's stock prices fell after the Patni acquisition, but analysts are optimistic



Revenues may touch \$1bn in '11/12, but high interest payouts may hit profits

|       | REVENUES | NET PROFIT |
|-------|----------|------------|
| 2006  | 283      | 8.7        |
| 2007  | 307      | 16         |
| 2008  | 219      | 31         |
| 2009  | 193      | 29         |
| 2010  | 281      | 52         |
| 2011* | 988      | 32         |

**Market capitalisation: \$633 mn**  
**Six-year revenue CAGR: 28.41%**

Figures in \$million  
Market cap as on 30 August 2011  
Source: Company; \*Jefferies and Co.

Satyam, put on sale by the government. But Tech Mahindra put up \$579 million and outbid iGATE. Murthy learnt a lesson: next time, firm up PE backing beforehand.

In August 2010, two partners from PE firm General Atlantic, which held 14.6 per cent in Patni Computers, landed in California. "They entered the room and, even before they sat down, they said they want us to buy Patni," says Murthy.

He realised Patni had what iGATE needed – \$700 million in revenues, strong verticals in insurance and healthcare, which iGATE did not have, \$300 million in cash and \$200 million in land assets. "Patni was such a beautiful combination... This was the future of iGATE," says CFO Sircar.

Analysts agreed. "With the combined entity now at a \$1 billion-plus annual revenue run rate, iGATE has greater scale and broader capabilities, which should help the company compete for larger contracts," said a report by global securities' and investment banking group, Jefferies and Company, in August.

When the acquisition was made, iGATE had \$281 million in revenues. Murthy had managed to keep iGATE on a constant growth path, barring the few years of the recession. When he joined iGATE in 2003, the stock was at an abysmal \$2 per share. It hit \$25 in October 2010, but fell to \$11 after the Patni acquisition, reflecting the integration risks investors perceive already for iGATE.

## Changing the Guard

By the time iGATE set its sights on Patni, Murthy had moved the company away from staffing to outsourcing, determined to create a niche in which it could be a leader since he had no hope of getting to the top with traditional IT servicing.

Murthy always wanted iGATE to lead in outcome-based pricing, but the acquisition of Patni has lowered the share of such revenues to 35 to 40 per cent from 70 per cent. But he is confident he can increase gross margins to 40 per cent and EBITDA (or earnings before interest, taxation, depreciation and amortisation) margins to 25 per cent. "We took iGATE's gross margins from 25 per cent to 40 per cent and we figured out that we can also take Patni's gross margins from 33 per cent to 40 per cent."

Some analysts are not so sure. "(The) management continues to target 25 per cent EBITDA margins by mid-2013 (vs 17 in the second quar-



## The A Team

**Sujit Sircar**  
Chief Financial Officer

Played a key role in raising money for the Patni acquisition. Now working towards cost optimisation and consolidation of resources of the joint entity

**Srinivas Kandula**  
Executive Vice President & Global Head, HR

The man behind the cultural and people integration of the company with Patni. He played a key role in building six separate tracks of operation and defining who will head each of those tracks

**Sean Narayanan**  
Chief Delivery Officer

Oversees everything related to services delivery to clients. Now looking at integrating the delivery models of Patni and iGATE

ter, 2011), which appears somewhat aggressive to us given current expense rate..." said a quarterly report in August by investment firm, Oppenheimer.

The acquisition has also eroded iGATE's market capitalisation. "From a market perspective it is a very risky move," says Murthy. "For me this is a huge bet, because if this does not pay off, I will be the guy with the world's largest failed transaction in the services industry. But if I pull it off, the amount of shareholder value that we create will be phenomenal."

So Murthy and his team have focused on integration first, with Srinivas Kandula, Executive Vice President and Global Head of HR at iGATE co-heading the effort with Sunil Chitale from Patni. Cultural integration was the single biggest fear in Kandula's mind and he set up six

tracks – HR, customers, delivery, finance, enabling entities, and pipeline protection – to drive integration carefully.

### Tomorrow and Tomorrow

Murthy wants iGATE to be a \$3 billion entity by 2017, by when the focus on HR integration will be visible, if Kandula has his way. He intends keeping iGATE staff at 55,000, about its current levels despite growing revenues three times. iGATE is now looking for larger global accounts. In the June-ended quarter, iGATE added 21 customers, including nine Fortune 1000 companies, and is looking at deals worth over \$100 million. "We are encouraged by the management commentary that suggests a second quarter revenue bottom and that the sales pipeline includes large, five-to-six-year contracts

running as high as \$100 million," says Jeff Martin, analyst with investment banking firm ROTH Capital Partners, in his August report.

His employees may consider him pushy, but Murthy says: "At 48, I am not going to change. I'm pushy, I'm finicky. I'm anal about certain things." He thinks excellence cannot be achieved by ordinary behaviour.

Some decisions, Murthy believes, cannot be taken by consensus. He takes 10 to 20 per cent of the decisions himself, seeks consensus on another 40 to 50 per cent, and does not bother with the rest. Nobody is saying whether the Patni acquisition was Murthy's decision alone or a consensus one.

By 2017, Murthy will be 54. He plans to lead an easier, perhaps retired, life starting 55. But can he curb his restless spirit? ♦



**SELF  
CHECK-IN**



## Self Check-in Made Easy

Get in on the convenience and Self Check-in for  
FREE upon booking confirmation

It's **FREE,  
SIMPLE  
& QUICK**



### WEB CHECK-IN



**FREE**

### COUNTER CHARGE

For all bookings made  
from 21st September 2011,  
a fee will apply at the  
airport for conventional  
counter check-in.

**INR 150\***  
Per quest

Logon to **airasia.com** for more details.

For any help call our call center **1860 500 8000**

(Operating hours: 8am - 9pm)



**WORLD'S BEST  
LOW-COST AIRLINE**  
2009 • 2010 • 2011

Join the buzz  
[fb.com/AirAsiaIndia](https://www.facebook.com/AirAsiaIndia)  
[blog.com/AirAsia](http://blog.com/AirAsia)

**AirAsia.com**

\*Counter check-in fee will apply for flights departing from all  
airports where AirAsia & AirAsia X operates except Haneda &  
Osaka (Japan) and Incheon (Korea).



# Full of Promise

Eleven more companies that are strongly placed to turn Goliaths in a few years.

By GAUTAM AGGARWAL, MANU KAUSHIK and SUNNY SEN

## YES BANK

### Valuable Asset

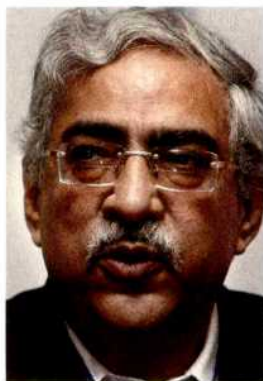
REVENUE ₹4,041.74 cr

CAGR 84.28%

**Rana Kapoor**, managing director and CEO, has reason to smile. His bank has been growing its income the fastest among all banks, and that too without compromising asset quality. Non-performing assets stand at 0.01 per cent.

## IDBI BANK

### Plenty of Zip



REVENUE ₹18,600 cr

CAGR 28.16%

Public-sector banks are usually laid back. Not this one. IDBI Bank has grown its current and savings account or CASA deposits faster than many private banks. Chairman and Managing Director **R.M. Malla** now plans to ramp up its branches from 883 to 1,050 by the end of 2011/12.

**Note:** All revenue figures for 2010/11. Revenue CAGR for six years except for Tech Mahindra (five years) and GVK Power (four years)  
Source: Ace Equity



VIVAN MEHRA

## SESA GOA

### Going Places

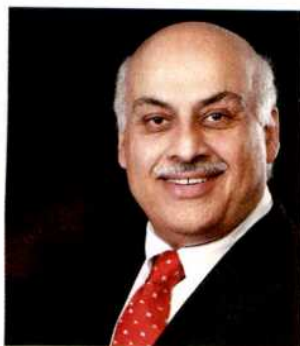
Managing Director **P.K. Mukherjee's** iron-ore mining company has now set its sights on Liberia. It plans to buy 51 per cent in Western Cluster, which has access to one billion tonnes of iron ore, for \$90 million. That is peanuts for a company with ₹11,500 crore in reserves. The payback will be much bigger.

REVENUE ₹7,447.45 cr

CAGR 34.39%



VIVAN MEHRA



## MOTHERSON SUMI SYSTEMS

### Moving into Top Gear

This is one auto ancillary with global ambitions. The company already earns a big slice of its revenues from Europe. Now the **Vivek Chaand Sehgal**-led company plans to buy an 80 per cent stake in Germany's Peguform Group, which would make that slice bigger. Getting into Bosch territory?

REVENUE ₹2,777.89 cr  
CAGR 31.59%

## RAMKY INFRA Green Is Bountiful

REVENUE ₹2,730.52 cr  
CAGR 46.24%

An order book of ₹11,500 crore, four times its 2010/11 revenues, is hot stuff for a company whose primary focus is on environment-oriented projects, especially water and waste water.

Chairman **Alla Ayodhya Rami Reddy's** company has 14 projects under its belt. Its acronym too is interesting: RIL



## PANTALOON RETAIL (INDIA)

### Raja of Retail

Surprised to see him here? So are we. Managing Director **Kishore Biyani's** Pantaloon Retail is the only market leader that is also its sector's fastest-growing over six years, though revenues fell six per cent in 2010/11. The company has nine million sq ft of space booked for future expansion. Wanna play catch-up?

REVENUE ₹5,934.37 cr  
CAGR 40.50%

## SHOPPERS STOP Ready, Steady

Shoppers Stop has not seen a single year of revenue fall in six years. Led by Managing Director **Govind Shrikhande**, the company's conservative approach - stick to bigger towns, add stores steadily - has paid off. With around 24 new stores planned in FY2011/12, there will be more steady growth.

REVENUE ₹1,687.87 cr  
CAGR 23.47%





**TECH MAHINDRA  
MAHINDRA SATYAM**

**Unity Is Strength**

Mahindra Satyam and Tech Mahindra complement each other through client mining. If they merge, the joint entity - led by **Vineet Nayar**, Chairman of one and Vice Chairman of the other - will be a \$2-billion company, a force to reckon with.

**TECH MAHINDRA**

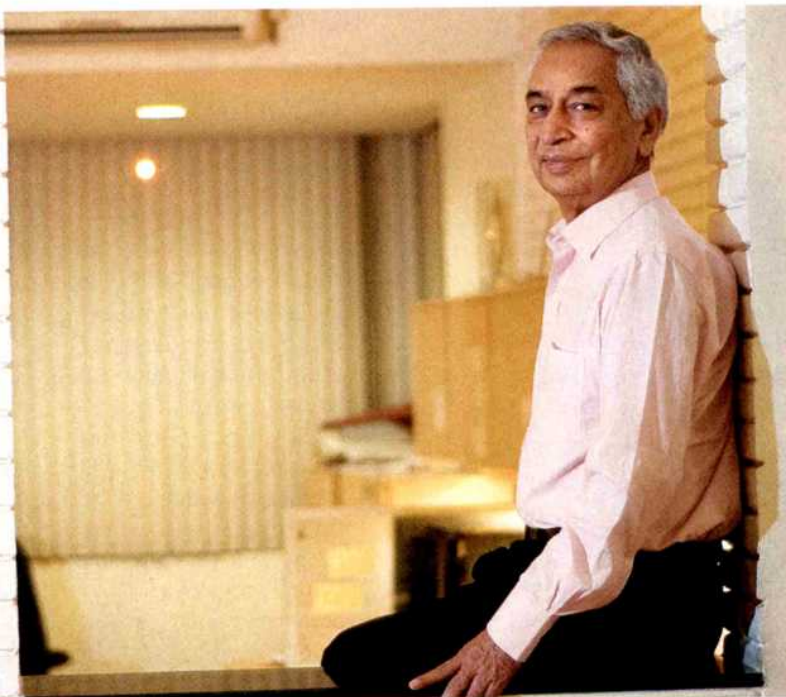
REVENUE ₹4,965.49 cr

CAGR 15.89%

**MAHINDRA SATYAM**

REVENUE ₹4,776.10 cr

CAGR 0.60%



SAPTARSHI BISWAS



**KWALITY DAIRY (INDIA)**

**Milky Way to Success**

No, this is not Kwaliti Walls. It's a Haryana-based dairy company promoted by **Sanjay Dhingra**, Chairman and CEO, which sells milk products under the brand Dairy Best. Topline growth of near 75 per cent in six years is impressive. So is its plan to open a subsidiary in Dubai.

REVENUE ₹1,601.97 cr

CAGR 74.66%

**EMAMI**

**On Ayurvedic Tonic**

REVENUE ₹1,221.15 cr

CAGR 32.34%

An Ayurveda company with free cash flow of ₹200 crore. Not bad. The fastest-growing household and personal products company. Not bad at all. Emami may not have the glamour of a Hindustan Unilever but it has growth. After the Zandu acquisition, Executive Chairman **R.S. Agarwal** is eyeing more buyouts.



**GVK POWER & INFRASTRUCTURE**  
**Growing Giant**

Its businesses span power, transportation and urban infrastructure, including managing two of India's busiest airports at Mumbai and Bangalore. The bulk of Chairman **G.V. Krishna Reddy's** company's revenues, though, comes from power: 901 MW operational, and 3,530 MW under construction.

REVENUE ₹1,914 cr

CAGR 59.70%

---

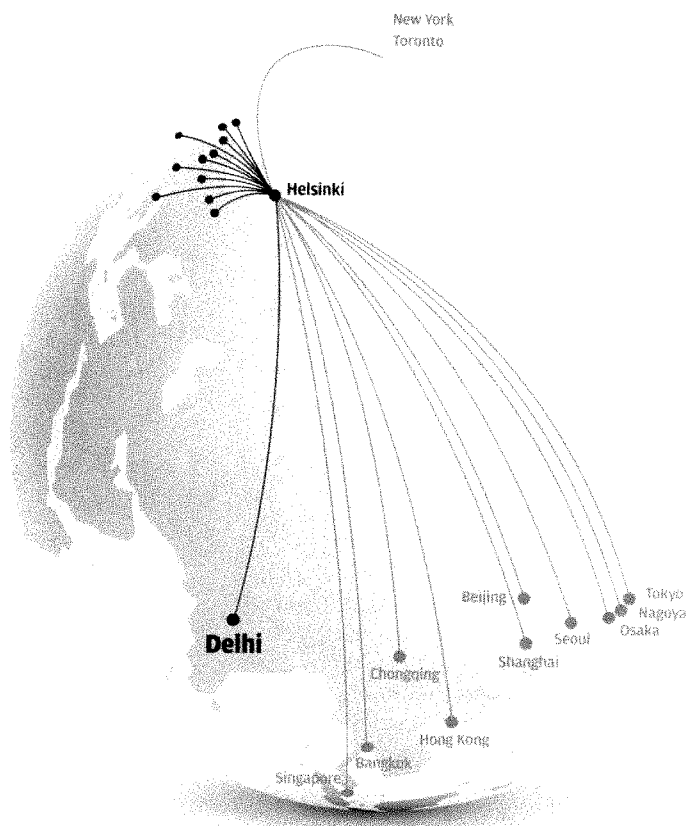


---

# FLY THE SHORTCUT TO EUROPE

## ON FINNAIR

---



### Fast to 50+ destinations via Helsinki

Experience distinctive Finnair service and enjoy smooth transfers  
via Helsinki to arrive relaxed and refreshed for business.

- Convenient morning departures from Delhi on latest A330 aircraft
- Choice of Indian/Continental cuisine • Complement of Indian crew • Lie-flat seats in Business Class
- SMS check-in for Finnair Plus members • Friendly fares • Finnair - ranked amongst the world's five most innovative airlines • Helsinki airport - rated one of the finest in the world

For corporate travel benefits visit [www.askforanoffer.finnair.com](http://www.askforanoffer.finnair.com)



Call toll free **1800 102 1233** or contact your travel agent  
Visit **[finnair.com/in](http://finnair.com/in)**  
Enjoy air mile benefits with **oneworld** alliance  
Welcome aboard the youngest fleet in Europe!

**FINNAIR**  
DESIGNED FOR YOU



# MORE BANG FOR BRUCK

**An X-ray machine developed in Goa prods change in Siemens AG's global approach to the low and middle market. By SUMAN LAYAK**

**Y**ou know what a submarine is?" asks Armin Bruck. The Managing Director of Siemens in India is not referring to the literal meaning. "When you are a regional company, sometimes you design your own product without telling headquarters. That's what a submarine is," he says.

It was one such submarine, designed at the German multinational giant's Goa factory two years ago, with Bruck's quiet encouragement, which brought about a radical shift in Siemens's global focus. Local engineers created an X-ray machine practically on their own, using little of the technology Siemens possessed. The vital difference: this machine is 40 per cent cheaper than the feature-rich, expensive X-ray machines Siemens was already manufacturing.

"Once a product is ready, the head office says: 'Okay, we may not like it, but it is here and we have to market it'," says Bruck. The X-ray machine was one of the catalysts that prodded Siemens to address a new market. The company decided it would henceforth give much more attention to the lower- and mid-level technology market it had ignored until then, designing products that were comparatively cheaper than the hi-tech ones it is accustomed to making.

So far eight such India-developed products have been launched – among them a new type of steam turbine, a low-end signalling system for the railways, a machine to monitor foetal heart beat – and 56 more are in the pipeline. The signalling system, also devel-

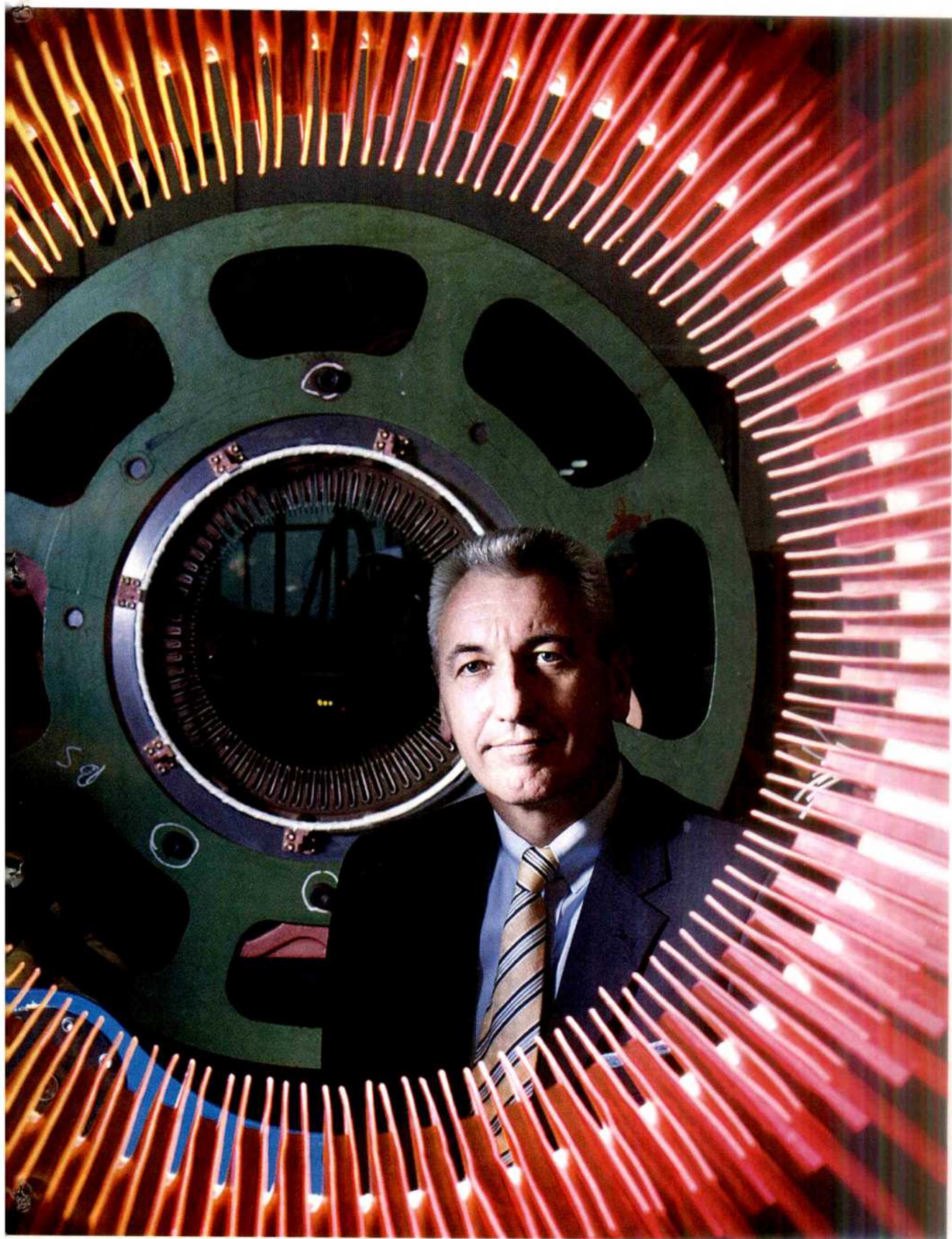


For full interview of Armin Bruck, visit [www.businesstoday.in/bruck](http://www.businesstoday.in/bruck)



**Submarine man:** Armin Bruck, Managing Director of Siemens in India





RACHIT GOSWAMI/www.indiatodayimages.com



oped in India, has been bought by, and is currently being installed in, Malaysia. But Siemens officials are keen to emphasise that these new products are being marketed everywhere – not merely in the emerging markets where price is usually a greater consideration than in developed ones. “A small hospital in a developed economy will find our X-ray machines developed in India equally useful,”

says Peter Loescher, President and CEO of Siemens AG, the Munich-headquartered parent of Siemens in India (See “India will Play Larger Role in our Operations”).

### Smart Move

The new products – labelled SMART, or simple, maintenance-friendly, affordable, reliable and timely-to-market – have been dominating discussions at Siemens AG’s annual meetings for the last two years. “At our last annual meeting in Berlin, Peter Loescher asked me to make a presentation about them, which I did,” says Bruck. It dawned on the company that this low- and mid-level segment was a vast €240-billion, or ₹15.6-trillion (one trillion equals 100,000 crore) market, with the Indian market alone at around €18 to 20 billion. It has also found that many small companies exploit this market to emerge as Siemens’s rivals, and the best way of neutralising them was to enter the same market itself. “In the last two years we had a breakthrough. We saw a huge change,” adds Bruck.

Not everyone is equally gung-ho about the Indian unit’s new direction. HSBC’s Rahul Garg and Tarun Mukhija, in a research report in August, said the Bombay Stock Exchange-listed company’s SMART products were downside risks, warning they could further dilute its margins. Making them cheap and afford-

## INCREASING ITS PRESENCE

Siemens India is betting big on its SMART portfolio

**€21 billion**

Potential market for SMART products in India

**€100 million**

SMART sales in India in 2009/10

**€1 billion**

SMART sales target by 2020

**64**

Number of SMART products under development in India

**32**

Number of SMART products to be launched by 2012



increase in sales in 2009/10, though here too profits have dipped slightly, mainly because of increased competition in Siemens’s mainstay power transmission business.

Sunil Mathur, Chief Financial Officer of Siemens in India, strongly disagrees with the HSBC report. “The SMART product portfolio should increase our competitive edge rather than lead to an erosion of margins,”

he says. “This will increase our penetration into a new market segment enabling us to grow profitably.”

He points out that Siemens is a zero-debt company and can, thus, use its internal

accruals in investing in the Indian market. The company is planning to set up five to six new factories in India to manufacture SMART products and has said it will invest ₹1,600 crore in India in the next two years.

A good deal of preparation, especially in India, has gone into Siemens’s ‘smart’ shift. There have been a clutch of mergers, sell-offs and a hike in stake in the Indian operations by the German parent in the past year. Apart from the BSE-listed Siemens, the company still has another 10-odd firms in different areas. However, Siemens Healthcare Diagnostics and Siemens Rolling Stock, have now been consolidated under Siemens. Those primarily into export – around 15 to 20 per cent of Siemens’s earnings come from exports – still remain unlisted subsidiaries of Siemens AG. Siemens has also launched a non-banking financial company, or NBFC, while Siemens AG has increased its stake in Siemens in



able was a prime objective. Though Siemens AG’s annual turnover was a staggering \$76 billion in 2009/10 – the last financial year for which figures are available, since Siemens follows the October to September cycle – growth was a mere two per cent. In the third quarter ended June 2011, Siemens recorded an operating profit of nine per cent – the lowest in recent times. The Indian arm has performed much better, showing a 24 per cent





## Save up to 57%\* plus get the TIME 4-Piece Travel Set FREE!

TIME, the world's most respected weekly newsmagazine, is trusted by 24 million readers for its insightful and reliable reporting on global events, politics, business, finance, technology, education and more. TIME speaks authoritatively on important issues, interests and concerns in Asia and the world. In today's fast-paced environment, TIME provides a clear, concise and forward-looking take on the world, allowing you to make the most of your TIME.

Subscribe to TIME now and receive your FREE TIME 4-Piece Travel Set.

Rugged and always ready for any adventure, the TIME 4-Piece Travel Set features four hi-performance travel bags designed to be used together or separately:

- a handsome suitcase
- a sturdy backpack
- a roomy travel tote
- a convenient waist bag

Best of all, this TIME 4-Piece Travel Set is yours absolutely FREE when you subscribe now!



**Yours Free**

What's more, here are your other benefits:

- 1. Save up to 57% off the cover price**
- 2. Free Delivery to your home or office**
- 3. Celebrated Annual Issues:** TIME 100, Journeys, Best Inventions and Person of the Year
- 4. Money Back Guarantee** – You must be completely satisfied or you'll receive a full refund for all unmailed issues.
- 5. 24-Hour Customer Service** – You can manage your subscription 24 hours a day at [www.time.com/asiacustomerservice](http://www.time.com/asiacustomerservice)
- 6. Bonus Gift** – If you subscribe for two years or more, you'll receive an extra mystery gift absolutely FREE!



Measurements:  
Suitcase – 47.5 x 32.5 x 9.5cm  
Travel Tote – 47.5 x 28.5 x 22cm  
Backpack – 44.5 x 32.5 x 18.5cm  
Waist bag – 24 x 15.5 x 8.5cm

## FREE GIFT(S) AND SAVINGS FORM

**YES!** Please send me TIME for the term I've indicated below.

TIBGN97(A/B)

- ☐ 3 years (162 issues) for a total of ₹ 7,614 - only ₹ 47/issue *Best buy!*  
☐ 2 years (108 issues) for a total of ₹ 5,184 - only ₹ 48/issue  
☐ 1 year (54 issues) for a total of ₹ 2,646 - only ₹ 49/issue

☐ Please send me the TIME 4-Piece Travel Set as my FREE gift. If I subscribe to a 2 or 3 year term, I will also receive a Bonus Mystery Gift.

Name (Mr./Ms.) \_\_\_\_\_ (Please print and underline surname)

Address ☐ Home ☐ Office \_\_\_\_\_

Post Code \_\_\_\_\_

Tel (H) \_\_\_\_\_ (O) \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_ ☐ New ☐ Renew \_\_\_\_\_ (Please indicate your customer number)

Choose one:

☐ Charge my credit card: ☐ VISA ☐ MasterCard ☐ American Express ☐ Discover

Card No. \_\_\_\_\_ Expiry \_\_\_\_\_ / \_\_\_\_\_ Signature \_\_\_\_\_

☐ Enclosed is my ☐ Cheque ☐ DD No. \_\_\_\_\_ (Payable to LM A/C TIME. For non-Delhi cheques please add ₹ 10)

\* on the 3-year term. Please allow 6-8 weeks for commencement of your subscription. Rates and offer valid in India until December 31, 2011 only. Your subscription will be hand delivered by courier in Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad and Chandigarh and by mail to other destinations. All enquiries to be addressed to Living Media India Ltd. directly. TIME's cover price is ₹ 110. Savings are off the cover price. TIME Asia publishes four double issues. Each counts as two of 54 issues in an annual subscription. TIME Asia may also publish occasional extra issues. All disputes subject to the exclusive jurisdiction of competent courts in Delhi only. For subscription related queries, please call (0120) 2479943, fax (0120) 4078080 or e-mail to [timecare@intoday.com](mailto:timecare@intoday.com). Gift stocks are limited. If free gift is unavailable, it may be replaced with an item of greater or equal value. Orders from India are subject to acceptance by Time Singapore (Pte) Ltd, 152 Beach Road, #24-05/08 Gateway East, Singapore 189721. Time Singapore (Pte) Ltd is not liable for any custom duty or tax incurred in connection with the subscription.

☐ Please tick if you prefer NOT to receive promotional materials from other companies.

**TIME**

## 4 EASY WAYS TO CONTACT US

(0120) 2479943

(0120) 4078080

[timecare@intoday.com](mailto:timecare@intoday.com)

India Today Group  
A - 61, Sector - 57  
Noida (U P) - 201205



## "India will Play Larger Role in our Operations"

**PETER LOESCHER**, took over Siemens AG in July 2007 – a difficult hour when the MNC was plagued by a bribery scandal. After stabilising it, Loescher is ready to ride another wave. Edited excerpts of an interview with SUMAN LAYAK:

### How does India fit into Siemens's global plan?

Over the past few years, India's contribution to our global revenues has been steadily rising. The country is in a fast growing mode. We expect India to play an even larger role in our global operations in the future.

### Siemens is developing a range of products aimed at a new segment...

Siemens has always been known for being an inventor and innovator. Through our deep customer engagements in emerging markets like India, we learnt that a huge untapped potential exists for value-based products with limited features but uncompromised quality. These products are developed in emerging markets but by no means only attract customers restricted to these.

### Why has Siemens AG increased its stake in the Indian arm to 75 per cent?

We increased the stake because we felt this was necessary to provide us the flexibility to further develop our business in this highly-dynamic market. ♦



For full interview of Peter Loescher, visit [www.businesstoday.in/loescher](http://www.businesstoday.in/loescher)



India to 75 per cent from 55 per cent, with a €1-billion open offer.

Will the mergers adversely impact Siemens's earnings per share, or EPS? "We have been successful in maintaining our EPS at constant levels despite the mergers," says Mathur. "Our mergers were carried out with a view to driving profitable growth." So far he is right: Siemens's EPS for the June 2011 quarter was ₹19.73, while in the same quarter of the previous year it was ₹17.08. The NBFC arm, called Siemens Financial Services, will primarily finance small companies and entrepreneurs seeking to start up using Siemens products. For instance, Siemens is developing a business model for the foetal heart rate monitor – a small device that can be worn on a belt by a pregnant woman. Siemens Financial will finance doctors or hospitals that may want to buy the machine and then rent it out to women during their pregnancies. But large-scale projects are not ruled out: for instance, Siemens had invested in the new Bangalore airport, though it later sold its stake to GVK.

### The Other Engines

Almost 30 per cent of Siemens's revenues in India come from the renewable energy market. Loescher says the country offers huge potential for wind power solutions, particularly in the low wind segment. "Siemens is gearing up with top-notch high-efficiency wind turbines suitable for low wind conditions," he adds. Among the new factories Siemens is building is a \$70-million wind turbine unit in Vadodara, which will be ready by 2012.

Finally, Siemens sees great potential in India's growing urbanisa-

tion. By 2020, there will be 68 cities in the country with a population of over one million, while existing cities will swell ever further – Mumbai is likely to have a population of 40 million by 2040. "You will need transportation of the future," says Bruck. "You will need affordable mass transportation, power supply solutions, water supply solutions and waste management solutions. Mumbai cannot keep dumping all its sewage in the sea." Globally, Siemens is preparing hard to grab the business opportunities that will arise, for which it has created a new vertical under a new CEO, Roland Busch. The company is executing major contracts in India to provide coaches, tracks or electrification with suburban and metro rail authorities in Mumbai, Delhi, Kolkata, and Chennai.

For Bruck, who has been in the country since 2007, Indian cities – and especially Mumbai – mean much more than mere business. He has grown to love Mumbai, delighting in particular in the ferry ride across the Arabian Sea to the Elephanta Caves nearby. He has taken his family of six to the caves at least 10 times so far. It pleased him no end when his eldest son Nicolas recently declared that Mumbai was the city of his dreams. "India will be a major hub for design, development and production of low-frills products customised to local needs," he says. ♦



**Breakthrough Innovation:** SMART X-ray machine Multimobi developed at the Goa factory

**Auto  
Bild**  
INDIA

WORLD'S LARGEST. INDIA'S FASTEST.

THE  
INDIA  
TODAY  
GROUP

# Get Alpine Car Stereo worth Rs. 7,990/- Free!



## Alpine

All-in-One  
Car Stereo System  
worth Rs. 7990/-

- Full Speed Connection for iPod
- High Power Amplifier
- CD /MP 3/WMA/ ACC Playback
- AUX Input
- White LCD display
- Custom EQ



**Subscribe to Auto Bild India and  
save 20% on the cover price!**

Auto Bild India is India's only fortnightly auto magazine  
which comes packed with latest Car & Bike news,  
reviews & opinions, advisor section, comparative  
testing, motor sport and international news.

**Hurry!  
Limited  
Period  
Offer.**

Please fill in the form and send it back to us at the address mentioned below

### Auto Bild India Subscription Form

**Yes! I would like to subscribe:**

| Choose Plan              | Term (Year) | No. of Issues | Term Price  | You Save | You Pay | Free Gift         |
|--------------------------|-------------|---------------|-------------|----------|---------|-------------------|
| <input type="checkbox"/> | 3           | 72            | Rs. 3,600/- | 20%      | 2,900/- | Alpine Car Stereo |
| <input type="checkbox"/> | 1           | 24            | Rs. 1,200/- | 20%      | 950/-   | -                 |

**BEST BUY**

Name (Mr./Ms./Mrs.):

Address:

City:

State:

Pin (essential):

Tel.:

Mobile:

E-mail ID:

Cheque No./DD No. (In favour of Living Media India Limited. For Non-Delhi cheque, pls. add Rs. 50/-):

Dated: for Rs. or charge the total amount of Rs. to my credit card. ☐ ☐ ☐

Card No.:

Card member's name:

Card Expiry Date:

Signature:

Date:

Subscription Terms and Conditions: Auto Bild India cover price is Rs. 50 • Savings are off the cover price • Special rates and offer valid in India for limited period only • Auto Bild India is a fortnightly magazine • Allow 4-6 weeks for processing of your subscription from the date of sending the necessary documents to Auto Bild India • Specifications of the gift in the offer are subject to the availability of stock • Auto Bild India will not be responsible for any postal delays, transit losses or mutilation of the subscription form • Auto Bild India reserves the right to change the terms and conditions of the subscription at any point of time without any prior notification • The subscription request received prior to that would be honored on the same terms which were prevalent at the time of dispatch of the form • Subscription would be preceded on realization of the payments • By filling the subscription form, the subscriber understands and agrees to all the terms and conditions of the offer • Your free gift will reach you in about 4-6 weeks of commencement of your subscription • Do not send cash • Add Rs. 50 for non-Delhi cheques • Offer valid till stocks last • It will not be possible to entertain any request for cancellation once the free gift has been dispatched • Supercribe your name and address on the reverse of the cheque/DD • All disputes are subjected to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Terms and Conditions apply.

**TO SUBSCRIBE**

**Email: [wecarebg@intoday.com](mailto:wecarebg@intoday.com)**

**Call Toll Free No.: 1800 1800 100 or (0120) 2479900**

**Send form with payment to LIVING MEDIA INDIA LTD, Subscription Dept., A-61, Sector 57, NOIDA-201301 (U.P.)**





# A Bourse For SMEs, Again

Despite OTCEI's failure in the 1990s, BSE is gung-ho about its plan for a new SME exchange, as the market is more mature. By TASLIMA KHAN

**W**hen the Over the Counter Exchange of India, or OTCEI, started in 1991, young entrepreneurs were thrilled. At last, small and medium enterprises, or SMEs, had a way to raise capital other than pleading with banks and rich relatives. Too bad it failed. Beset

with poor bandwidth and dwindling participation, OTCEI was an idea ahead of its time, and now exists in name only. "It was like a brilliant airport, but with no road to take you there," says an official of the Bombay Stock Exchange, or BSE, who asked not to be named.

Among the first 80 to 90 companies to list on OTCEI was Anglo-

French Drugs and Industries, a Bangalore-based maker of vitamins and antioxidants. Within six months of trading, as the number of brokers shrank drastically, so did the hopes of the promoters of Anglo-French Drugs and Industries. "Trading volumes were very small, and brokers could not generate quotes," says the company's Chairman and Managing



Director, Abhay Kanoria. Trading ground to a halt and companies started moving to BSE. Anglo-French Drugs is still listed on OTCEI, though the exchange is defunct.

But now that the Securities and Exchange Board of India, or SEBI, has agreed in principle to let BSE and the National Stock Exchange set up a trading platform for SMEs, small and medium-sized companies may again get their own exchange. NSE has not yet announced plans. BSE has plans to launch an SME exchange, but is awaiting final approval from SEBI.

So why would a new SME exchange succeed where OTCEI failed? For one, infrastructure issues such as bandwidth are no longer a problem. Secondly, market-making by merchant banks, which OTCEI pioneered – along with electronic trading – will be compulsory for three years on the BSE's platform. OTCEI required only a two-year commitment.

### How It Will Work

On OTCEI, the shares of small companies were bought and sold through market makers, or entities that quote both buy and sell prices for a stock, and earn money from the spread between the two. These market makers were appointed by merchant bankers. But the system floundered as low trading volumes made it hard for brokers to determine share prices.

Market-making is a best practice of SME exchanges worldwide, such as London Stock Exchange's Alternative Investment Market, or AIM. "It's not available on the BSE main board, but has been introduced on the SME platform, to generate liquidity," says Lakshman Gugulothu, CEO of BSE's SME Exchange. "We're preparing a large number of BSE members to be market makers."

The BSE official quoted earlier suggests that volumes are not a big worry. "BSE trading volumes, which may have been ₹150 crore a day in 1991, are now around ₹2 trillion a

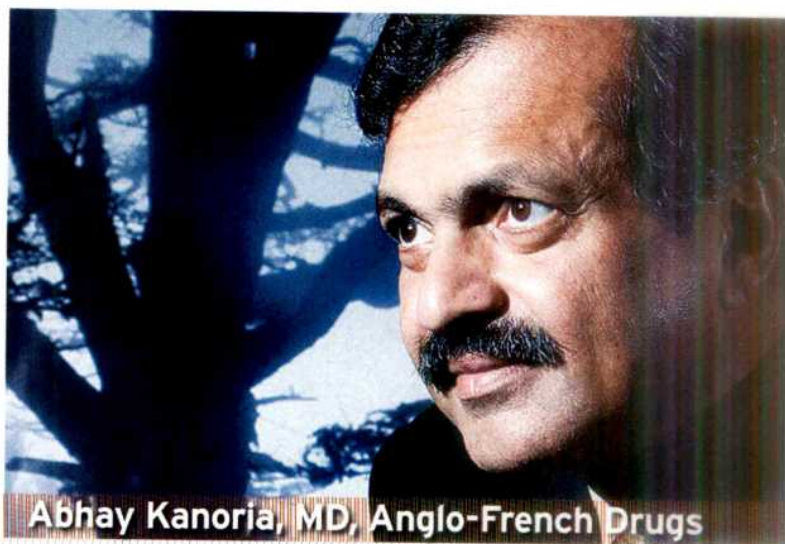
day, so we expect better trading volumes for the SME Exchange too," he says (a trillion is 100,000 crore).

BSE has pulled out all the stops to attract new companies to the SME Exchange, and also to encourage small- and mid-caps listed on its main board to switch to the new platform. So, for instance, the listing fee for the SME Exchange will be about half that for the BSE main board. Also, compliance norms will be softer: SMEs will need to publish results electronically,

list on either the SME Exchange or the BSE main exchange. Companies with capital of over ₹25 crore will have to list on the main board.

### Will Investors Bite?

SMEs are, almost by definition, companies that are not well-known. So how will they draw investors? "Larger companies typically spend three to four per cent of an issue on advertising it and as fees to merchant bankers," says Vivek Gautam, Associate



**Abhay Kanoria, MD, Anglo-French Drugs**

**"On OTCEI, trading volumes were very small, and brokers could not generate quotes"**

and only every six months, rather than the quarterly requirement for companies listed on the main board. SMEs who want to list need not show profitability. They only need to fulfil SEBI requirements.

Any company whose post-issue capital has a face value of between ₹50 lakh and ₹10 crore can list on the SME Exchange. Companies with post-issue capital exceeding ₹10 crore but less than ₹25 crore can choose to

Director, SPA Merchant Bankers. "But for small companies with issues of ₹5-10 crore, the cost of merchant bankers and publicity will be higher."

The minimum application and trading lot size will be ₹1 lakh. This is likely to attract only well-informed investors who know the promoters and the industry, and who are risk-tolerant. But if the BSE's exchange can do that, so can others. Jubilant Energy, an oil exploration and pro-



duction company, listed on AIM because the investor base that understands this sector is wider in the UK. "And investors there understand the India story," says the company's CEO, Ajay Khandelwal.

Another challenge is that liquidity has often been an issue for hundreds of mid- and small-caps on BSE. One of the main reasons is that many SME promoters hold such a huge chunk of their company's shares that there is little left to trade. They are unwilling to dilute their stake.

For example, promoters hold 75 per cent of the shares of Orient Ceramics, a company that listed on BSE in 1993. "Trading activity is scarce for our scrip," says CEO Vijay Shankar Sharma. "So we have not been able to attract institutional investors ever since we listed."

Aditya Nataraja, Investment Manager at venture capital firm Ventureast, says: "Suppose I hold 20 per cent equity in the company I invested in, and it's valued at ₹6 crore. If I want to offload my shares on the exchange, I'll have to find enough buyers. Who's going to put a huge amount of money into a single company?"

Many SMEs have great products, but limited bandwidth in terms of their ability to manage, strategise, grow or raise funds. Many are family-owned and traditionally run, and the inflection point comes only when the next generation takes over. According to Mukul Gulati, Managing Director at Zephyr Peacock, a private equity fund which focuses on fast-growing SMEs, accounting standards are often poor. "Governance in listed companies is as poor as, and sometimes even worse than, private companies," he says.

However, Gugulothu says that going public will spur SME managements to do more. "Transparency and governance will improve manifold once the companies are listed, as they will have to adhere to SEBI guidelines," says Gugulothu.

## Merchant Bankers' Challenge

Merchant bankers will have to underwrite issues 100 per cent. Attracting subscribers will take ingenuity, because small companies have smaller budgets to publicise their issue than big corporations. The fees that mer-

## What Has Changed

When OTCEI was launched in 1991, the daily trading volume on the **Bombay Stock Exchange was ₹150 crore. Today, it is ₹2 trillion**

OTCEI required a two-year commitment by market makers. **BSE's new SME exchange will require three years**

**Investors are better informed today than they were in the early 1990s**

Compliance norms are simpler for the new SME Exchange than for the BSE main board. **Profitability is not a condition for listing**

chant bankers can expect will also be smaller. "To bring out a small issue of, say, ₹10 crore, we'd get a fee of up to two or three per cent of the issue," says Gautam of SPA Merchant Bankers. "So a fee of ₹20-30 lakh for responsibility of ₹10 crore looks un-

attractive to us."

Even so, Gugulothu is confident that merchant bankers will be interested. "Except for a few top ones, they're keen on the SME platform, and are already preparing offer documents for listing SMEs," he says.

In venture capital circles, too, there have been mixed reactions to the SME Exchange. Many venture capitalists say it would be great if companies in their portfolio were listed, as it would make exits easier.

Gaurav Saraf, Director, Epiphany Ventures, says: "Anyway, we spend months to understand the company and promoter. If we invest in a company on the SME Exchange, the same level of due diligence will be required. But exits will be easier if the company is doing badly."

Others are concerned about valuations. "With small companies, there are balance-sheet concerns," says Nataraja. "They have a lot of revenues under accounts receivable. They may have no assets, and no brand value. How will such companies be valued on the exchange?"

Some are not even sure whether early exits are a realistic expectation, at least for early-stage investors. "I must remain on board the company for five to seven years before it turns profitable," he says. "I don't see an early exit here."

## Same or Different?

The new SME Exchange is bound to evoke a sense of *deja vu*, given the similarities with OTCEI, and scepticism, given that OTCEI was a failure. Yet, there is also hope.

"In 1991, market intermediaries were not comfortable with the on-line platform, which was the main reason why it failed," says the BSE official. Now, he adds, online trading is the norm. "Besides, capital markets have matured in terms of trading volumes. We're well positioned to launch the SME platform. We will review and take corrective action if required." ♦

# Subscribe to Business Today



Clinch the smartest deal in seconds!

**FREE**  
with 3 years  
Subscription: A stylish  
**Benetton** watch  
worth ₹ 2599/-!



**business today**  
FOR MANAGING TOMORROW

| Term    | No. of Issues | You Pay (₹)        | Free Gifts                                      |
|---------|---------------|--------------------|-------------------------------------------------|
| 3 Years | 78            | 2340               | Stylish Benetton watch ₹ 2599/- <b>Best Buy</b> |
| 1 Year  | 26            | <del>780</del> 695 | ---                                             |

Please fill in the form and send it back to us in the address mentioned below

## Business Today Subscription Form

Send form with payment to LIVING MEDIA INDIA LTD.,  
A-61, Sector 57, NOIDA-201301 (U.P.)

### Yes! I would like to subscribe for:

- ☐ 3 Years (78 Issues) : Pay ₹ 2340/- + Get Stylish Benetton Watch Worth ₹ 2599/- **Best Buy**  
☐ 1 Year (26 Issues) : Pay ₹ ~~780~~ ₹ 695/-

Name..... Address.....

..... City.....

Postal Code..... Tel./Mobile..... E-mail.....

### Payment Details:

☐ Charge my Credit Card ☐ ☐ ☐ Card No.....  
 Expiry..... Signature.....

**Payment Enclosed:** ☐ Cheque ☐ DD No..... (in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 50/-)

**Subscription Terms & Conditions:** Cover Price of BT is ₹ 30. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. Add Rs. 50/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are despatched. Terms & conditions apply.

To Subscribe - Email: [wecarebt@intoday.com](mailto:wecarebt@intoday.com) or Call Toll Free No.: 1800 1800 100 or (0120) 2479900

BT 2nd Oct 2011



# What Glass Ceiling?



**Power packed:** (Left to right) Allergan India MD R. Raghu Kumar, *Business Today* Editor Chaitanya Kalbag, Facebook India head Kirthiga Reddy, IL&FS Investment CEO Archana Hingorani, HSBC India head Naina Lal Kidwai, ICICI Bank CEO Chanda Kochhar, India Today Group's Editor-in-Chief Aroon Purie, Dun & Bradstreet CEO Sara Mathew, AZB & Partners Founding Partner Zia Mody, Fidelity India head Ashu Suyash, HUL Vice President Leena Nair, Multiple Alternate Asset Management CEO Renuka Ramnath, Credit Suisse India Vice Chairman Vedika Bhandarkar, ICICI Venture Funds CEO Vishakha Mulye, Axis Bank head Shikha Sharma, Capgemini India CEO Aruna Jayanthi and HUL Executive Director Gopal Vittal

**I**t was a night to celebrate India's woman power. Heads turned as one by one the most powerful women of Indian business – many of them accompanied by their parents, children and husbands – were ushered into the ballroom of ITC Grand Central in Mumbai on August 30. It was the eighth edition of *Business Today's* Most Powerful Women Awards Night.

Starting the proceedings, Aroon

Purie, Editor-in-Chief of the India Today Group, applauded the women achievers who have emerged as iconic role models. "Many of these women have done more than choose Robert Frost's road less taken, they have actually cleared the

jungle, fought off the wild beasts, braved the unbearable climes and dug their very own road," he said. "There are so many tales told of the sacrifices of women entrepreneurs, what they had to give up to gain power and wealth."

**"There are so many tales told of the sacrifices of women entrepreneurs, what they had to give up to gain power and wealth."**

**Aroon Purie**, Editor-in-Chief, India Today Group



The eighth edition of *Business Today's* Most Powerful Women Awards function celebrated the gritty women achievers.



PHOTOGRAPH BY UMESH GOSWAMI

The gathering, in Purie's words, was intended to raise our collective caps to these women's discovery of a whole new sky.

"We have the legendary Kiran Mazumdar-Shaw, who has taken India to the cutting edge of biotechnology; Chanda Kochhar who is leading the largest private sector bank in the country – in fact it is often said about her that she could even lead an army;

Mallika Srinivisan who has come to be known as the Tractor Lady of India; Naina Lal Kidwai – the first woman dealmaker of India; Shikha Sharma who introduced the concept of getting insured to us; and Dr Swati Piramal, the first woman to lead an industry chamber ever," added Purie.

Apart from the achievements in their respective fields, the six women named by Purie have one

Dove

Dare to bare naturally glowing skin with Dove.



Take the Dove 7 Day Test and step out without make-up.

Dove is different from soap. With  $\frac{1}{4}$  moisturizing cream, Dove deeply nourishes for softer, smoother, more glowing skin. Try Dove for 7 days and discover your skin's natural glow.



Like us  at [www.facebook.com/dove](http://www.facebook.com/dove)

Based on a 7 day constitutive study conducted in November, 2009 at against ordinary alkaline soaps.





Dove passed Pragma's hair pin test.  
Now, put Dove to your own hair fall test.



Dove Hair Fall\* Rescue  
Reduces hair fall from  
**100 to 2**

**Dove**  
damage therapy



reduction of hair fall due to breakage with regular use, based

## BT MOST POWERFUL WOMEN/Event



**Celebration time:** India Today Group's Editor-in-Chief Aroon Purie with D&B CEO Sara Mathew during the question-answer session



**Heads meet:** HSBC India head Naina Lal Kidwai (second from left), Renuka Ramnath (extreme right), CEO of Multiple Alternate Asset, with guests

more feature in common: they have been on BT's Most Powerful Women in Business, or MPW, list, for seven years, or every single year since the award was instituted. To celebrate and honour the achievements of these very special women, BT this time created the first ever 'Hall of Fame' awards, which were given to them.

The MPW list has also been fea-

turing more diversity with each passing year, as women break the glass ceiling in more and more male bastions. A list that was traditionally dominated by bankers and women in financial services, this year included publishers, women from the media, entrepreneurs and other industries like hospitality and consulting.

It was befitting that Sara

**"Dare to take risk, even fail. When you fail, pick yourself up, and move forward. Focus on the solution, not the problem."**

**Sara Mathew**, Chairman and CEO, Dun & Bradstreet





**Women power:** (From left) Vishakha Mulye, CEO, ICICI Venture, Archana Hingorani, CEO, IL&FS Investment Managers and Anjali Bansal, MD, Spencer Stuart

Mathew, Chairman and CEO of Dun & Bradstreet, or D&B, gave away the awards to the six women in the Hall of Fame and the 25 achievers identified by *BT* as India's most powerful women in business.

Mathew's own story is one of grit and determination. Starting her career as a clerk at Procter and Gamble, or P&G, she moved up the ladder across finance and general management functions over 18 years. She joined D&B as chief financial officer in 2001. Mathew enchanted and inspired the audience with her speech, which, embellished with examples from her own life, dwelt on the importance of daring to dream, taking risks, doing the right thing, understanding failure and leadership. "Never, ever stop dreaming," she said. "In the words of Anatole France: 'To accomplish great things, we must not only act, but also dream; not only plan, but also believe'."

Mathew recalled how she made a costly error at P&G, but learnt from it. Her initiative to webcast the annual investors' meet led to a \$3-billion loss in market capitalisation for the company. "I failed very publicly. Everyone knew I messed up! But I learned so much from the experience. I learned to pick myself up and try again. And

my biggest learning: failure teaches you much more than success ever will."

Only daring to dream gives a person the courage to take risks. "Dare to take risk, even fail," she said. "When you fail, pick yourself up, and move forward. Focus on the solution, not the problem."

Her take on leadership? "At the foundation of great leadership are values like integrity, respect for others, performance excellence and teamwork," she said.

In the question and answer session with Purie that followed, Mathew maintained she had never made much of her gender and that being a woman in leadership positions had never been a hindrance. Asked if there was any one thing she was really good at, she said: "I am amazing with numbers." She added that being good in math was not considered cool in school, and thus, she always tried to underplay this ability.

The presenting sponsor of the BT Most Powerful Women in Indian Business was Dove, Botox was the associate sponsor, Bloomberg UTV was the media partner, Swarovski Elements, Pinky and Kingfisher were partners, and Bright Out Door was the Out of Home partner. ♦



Dove passed Risha's scrunchie test.

Now, put Dove to your own hair fall test.



Dove Hair Fall\* Rescue  
Reduces hair fall from  
**100 to 2**

**Dove**  
damage therapy



OPM 8336

\*98% reduction of hair fall due to breakage with regular use. Photo





## Dove passed Pragya's hair pin test. Now, put Dove to your own hair fall test.

We believe every woman's different and every woman has her own special way to measure hair fall. Like for Pragya, her hair pin's her ultimate way for checking for signs of hair fall. After Pragya washed her hair with Dove, she found fewer loose strands in her hair pin. Dove Hair Fall Rescue's putting itself to your challenge—no matter what your way of checking for hair fall, Dove will prove that it reduces hair fall dramatically.



Dove Hair Fall\* Rescue  
Reduces hair fall from  
**100 to 2**

\*98% reduction of hair fall due to breakage with regular use, based on lab test vs. non-conditioning shampoo.



Dove

Dare to bare naturally glowing skin with Dove.



Take the Dove 7 Day Test and step out without make-up. Dove is different from soap. With  $\frac{1}{4}$  moisturizing cream, Dove deeply nourishes for softer, smoother, more glowing skin. Try Dove for 7 days and discover your skin's natural glow.



Like us  at [www.facebook.com/dove](http://www.facebook.com/dove)

Based on a 7 day consumer study conducted in November, 2009 as against ordinary alkaline soaps.



**L**AST **B**UT **N**OT **L**EAST

PERSONAL TECH **124** JOBS **128** PEOPLEBUSINESS **134**

# *Heavy Metal Thunder*

The Harley-Davidson lifestyle is full of power and poetry, says Dearton Thomas Hector

Photographs by Vivan Mehra





There aren't many reasons for anyone to wait in the rain at a South Delhi petrol pump at 5:30 a.m. on a Sunday. But here I am at a Moti Bagh gas station on a soggy monsoon weekend in late August, with a Steppenwolf classic pounding in my head: *Like a true nature's child, we were born, born to be wild, we can climb so high, I never wanna die ....*

I am waiting for members of the local HOG – the Harley Owners Group – and I know my wait won't be long. At the sight of the first Harley – a Roadking of the Touring family – the music in my head grows louder. These bikers are no *Hells Angels on Wheels*, cruising for a bruising. Nor are they crime-fighters in the *Mad Max* mould. They're an assorted bunch of regular people – tech geeks, CEOs, architects, TV executives – whose idea of a good time with friends is the thrill of riding on powerful machines on the highway with the wind in their faces. If any biker movie comes close, it's *Wild Hogs*, in which a dentist, computer programmer, plumber and lawyer discover the joy of the open road.



**HOG helmet:** One of the bikers shows off his official gear

A newcomer to the world of Harleys, I try to contain my awe at the black-and-chrome Roadking as I shake hands with its owner, Vikas Sharma, known to his friends as Viki. He is a partner at Trinity, an architectural studio. As I'm talking with Viki, an Iron 883 and a Fat Boy thunder in, almost in unison.

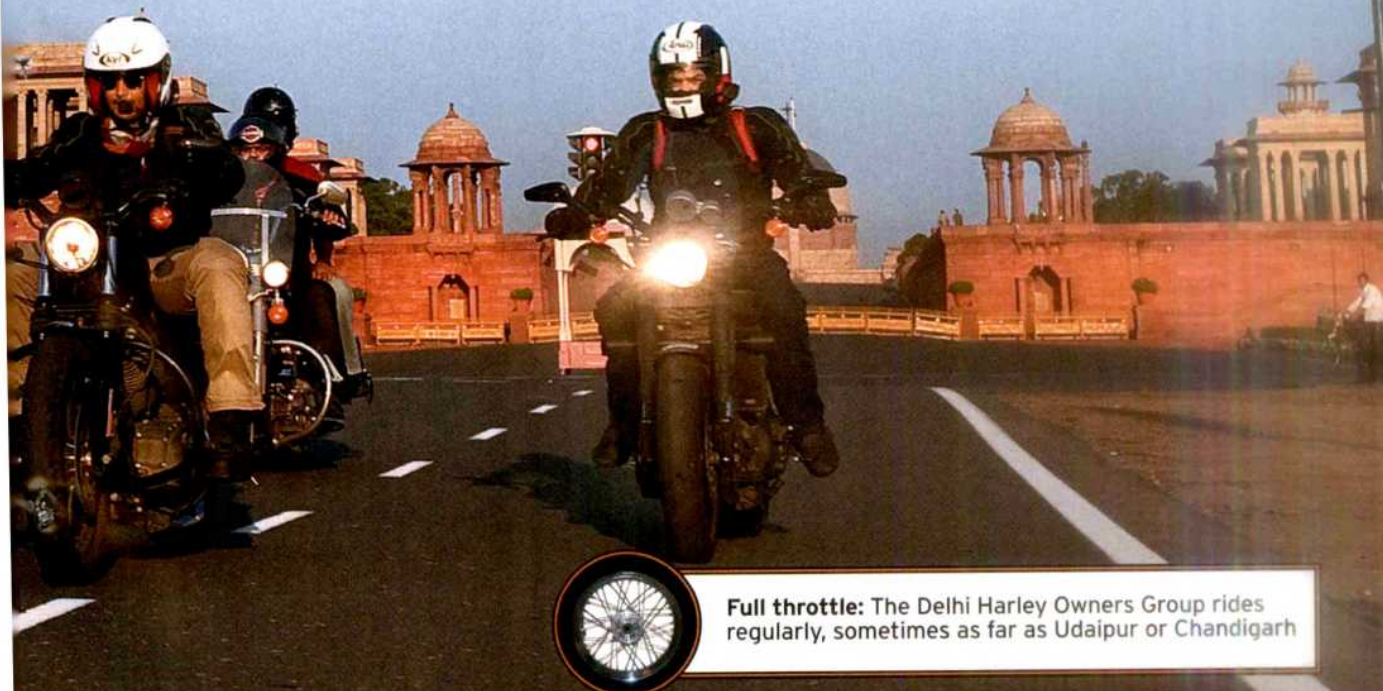
Few brands can convey Americanness quite like Harley-Davidson, which was born in Milwaukee, Wisconsin, in the early

20th century. The company not only survived the Great Depression, but also spawned a widespread subculture. Who can forget the chopper adorned with stars and stripes, known as the 'Captain America bike', that Peter Fonda rode in the 1969 film *Easy Rider*?

Eventually, the group at the petrol pump consists of seven Harleys. Despite the hour, a crowd gathers around the posse of Harley riders, including joggers and teenagers doing stunts on their BMX bikes. "We're used to public attention," says 'Patch', whom his professional colleagues know as Ashwani Singla, CEO, South Asia, of communications company Penn Schoen Berland.

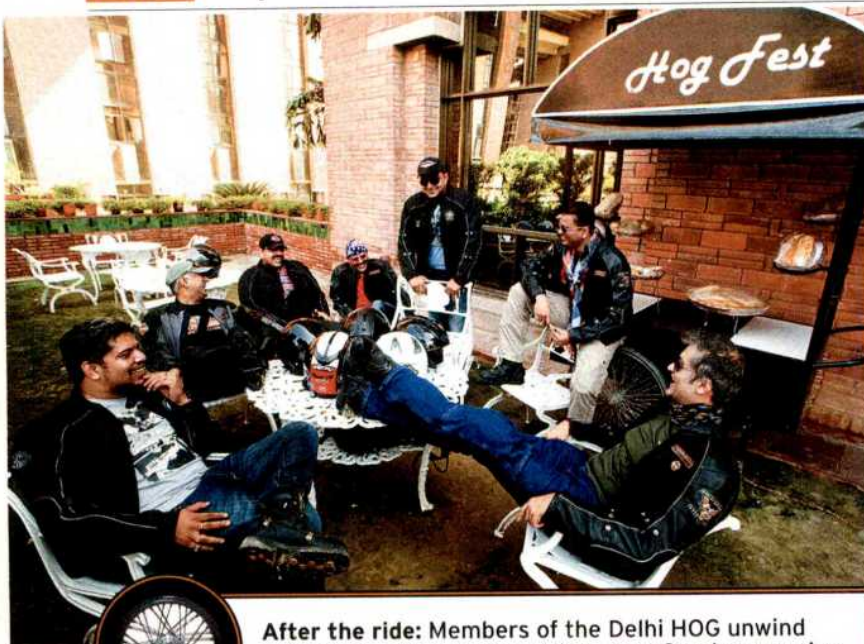
I notice some onlookers clicking pictures on their mobile phones. Understandable, given seven gleaming machines that exude power. For example, Patch's Fat Boy can produce the power of about 100 horses. If there are any *Terminator* fans in the crowd, they may recognise it as the model Arnold Schwarzenegger rode in the 1991 film *Terminator 2*.

Patch explains to me that the 'Softail' model got its name because



**Full throttle:** The Delhi Harley Owners Group rides regularly, sometimes as far as Udaipur or Chandigarh





**After the ride:** Members of the Delhi HOG unwind outside the All-American Diner on a Sunday morning

the bike was designed with concealed shocks to give it the appearance of a hard-tail, another group vrooms in on Suzuki Hayabusas, Honda CBRs, Ducati 1198s, and other bikes. Such a sight would not have been possible had the Indian government

not decided in 2007 to allow the import of superbikes with engines above 500 cc.

At last it is 6 a.m., and the bikers are off. Ignition. One down to first gear. Throttle. The sound of seven Harleys as they form an arrowhead

– the immortals of the motoring world clearing their throats – thunders like a hundred drums. Today's ride is only about an hour – to Noida and back – but on some weekends, the HOG members go further, to cities such as Udaipur or Chandigarh.

Thrills may be what the hogs (as bikers often call themselves) live for, but safety comes first – not just personal safety, but also the safety of fellow bikers. "Your life is at stake when you have this kind of power in your hands," says Asis Kumar Mandal, who goes by the alias 'Dada'. This geologist, who works for a public-sector company, is the leader of the pack. He adds: "We use signs to communicate with each other while riding. We take all the precautions we can." True to his word, he turns down my request to ride pillion with one of the bikers, as I have no helmet. Clearly, there's nothing reckless about these guys. They take their responsibilities seriously.

"I don't take my son for even a short ride without proper safety

## DREAMING BIG

**O**ver 40? Tick. Balding? Check. Health issues? Yes. Bulky, with a beer-belly? Nope. Weighing in at 64 kg and standing under five feet and six inches, that was the only box that I couldn't tick on the profile of a typical Harley-Davidson rider. But I was going to have a Sportster XR1200X for a couple of weeks, and I wasn't going to let my lack of girth come between me and the bike of my dreams.

Riding a bike after 14 years is not easy. Ask me. I dropped the Sportster – well, it weighs about four times what I do – as I wheeled it out of the Harley showroom in Gurgaon. My driver, who was waiting outside, was amused to see me perched on a bike with as many horses as there were under my car's hood. The ride home was less than 10 km, but what with rain-induced traffic snarls, it took me over an hour, the last 15 minutes of which were near-excruciating, on an overheated engine angry at the first-and-second-gear routine. The balm came in the form of a joke

from a man in a chauffeur-driven Honda Accord: "Great bike, but isn't it kind of small for you?"

Over the next two weekends, I got used to the monster. What they say about muscle memory is true – my back, legs and arms responded reflexively to the bike. The Sportster was brilliant on open stretches, touching 100 kmph in under 10 seconds. When I revved the engine, the kids on the street loved its roar – Harley had tried to trademark it in the 1990s – and other bikes and cars made room for me. A policeman even flagged me down to get a closer look at the beast.

Then, it was time to return the bike. I had slept less than seven hours in two days, thanks to work peak and a toddler who kicks almost in sync with his REM cycles – but the adrenalin rush on the Harley had me manically awake. I intend joining the Delhi 'hogs' on one of their rides. And, who knows, when I have some spare cash, perhaps, even own the roar.

JOSEY PULIYENTHURUTHEL



gear," says Patch, who got his bike as a gift from his businesswoman wife, in return for a TV he gave her 20 years ago!

To make an American morning of it, I mosey over to the All-American Diner at the India Habitat Centre and wait for the bikers to return. At 8 a.m., they're back. Over a breakfast of waffles, pancakes and French toast, they tell me about their years of biking. Most of them got their first taste of it 15 to 20 years ago. They drove cars for years, but the arrival of Harley-Davidson in India in 2010, with bikes costing between ₹5.5 lakh and ₹35 lakh, has drawn them back to the biker culture.

Today's Harley is, of course, a far cry from the beat-up Harleys in the Delhi of the 1980s, which served as humble six-seater taxis known as *phatphatis*. "My Harley makes me feel invincible," says Sportster owner Sharad Sharma, a former host of an automotive show on TV, who is known to his biker friends as 'Sheru'.

Samir Malhotra, who goes by the handle 'Sami' and owns a company called SM Steel, is the only 'double hog' – he has owned two Harleys (he graduated from a Sportster to a Fat Boy). His first bike was the Yamaha RX100, which in the 1980s had cult status.

Sami looks forward to the day when a lady hog joins their group. But he may have to wait a while. Sanjay Tripathi, Director, Marketing, at Harley-Davidson India, says that although Harley buyers are all over

### Ready Ride Modular Helmet

Polycarbonate shell. Solid cast aluminium hardware. Grooved air channels provide maximum airflow. Tool-free, removable face shield.

PRICE: ₹16,761

### Men's Classic Leather Jacket

Midweight leather with poly-mesh lining. Two front intake vents and two vertical back exit vents. Body armour pockets at elbows and shoulders

PRICE: ₹22,187  
BELT PRICE: ₹2,955

### Hustin Boots

Full-grain leather upper, full-length cushion sock lining, oil-resistant rubber outsole, high-quality rubber welt construction

PRICE: ₹7,999

the map, including the north-eastern states, there have been all of two female customers since the Indian dealerships opened their doors in July 2010.

For many, Harleys are a childhood dream come true. "My dream was always to own one," says Keerthan 'Kee' Adyanthaya, Managing Director, National Geographic Channel Network India, and the youngest member of the group. "It's like a cowboy on his horse."

I ask the debonair 'Sheru' a somewhat personal question: what was his wife's reaction when he told her that he was going to buy a Harley? "She wanted to kill me," he says. "I didn't tell her that I had booked a Harley. She got to know about it through a friend and asked me, 'Did you book a Harley?' I sheepishly said yes. She just looked at me and then looked away, and she hasn't looked at me ever since." He laughs. I ask whether they are still married, and he says 'yes' with another laugh.

The fascination with Harleys is summed up simply by Anil Arora, a promoter of MJ Logistics and a Heritage Softail Classic owner. He says: "We were riding to Udaipur. After stopping for the night at Kishangarh, we resumed the ride. It was 10 minutes before sunrise. It was a beautiful stretch on NH8. As the 12 of us turned around a bend in the road, we saw the sun rising, and its reflection on the chrome, changing colour. It was a sight. You had to see it to believe it. I think that was my 'it' moment. That's when I thought I've got my money's worth." ♦

SAPTARSHI BISWAS







## Beware the Robot

With Android phones getting cheaper, a smartphone explosion is in the offing

For years, India was Nokia country. Other phone makers promised and some even tried very hard to dethrone Nokia from the top spot, but failed. The Finnish company has even regained some of the market share it had lost, thanks to its recent – and belated – launch of dual-SIM devices, which in turn has put a lot of pressure on the ‘Made In China, Branded in India’ phone sellers.

But while Nokia is still the dominant manufacturer in India, it is staring down the barrel when it comes to the smartphone segment. Everywhere you look, people are carrying Android devices, and things are only going to get worse for Nokia.

India’s telecom market is unique. Talk to analysts and retailers and they point out that India is one of the few markets in the world where people are actually paying a bit more every month for their phones. Make no mistake: the availability of cheaper handsets played a critical role in India’s mobile subscriber growth. But users also want to upgrade – just ask any young person.

And upgrades have never before been so affordable, thanks to Android. This Google-developed operating system is free and open. All manufacturers need to do is sign an agreement with Google and they can offer applications through the official Android market, as well as Google’s official applications for services such as Gmail and Gtalk. Many of them have signed up. There are naturally very few ‘unofficial’ Android devices available from rec-

ognised manufacturers.

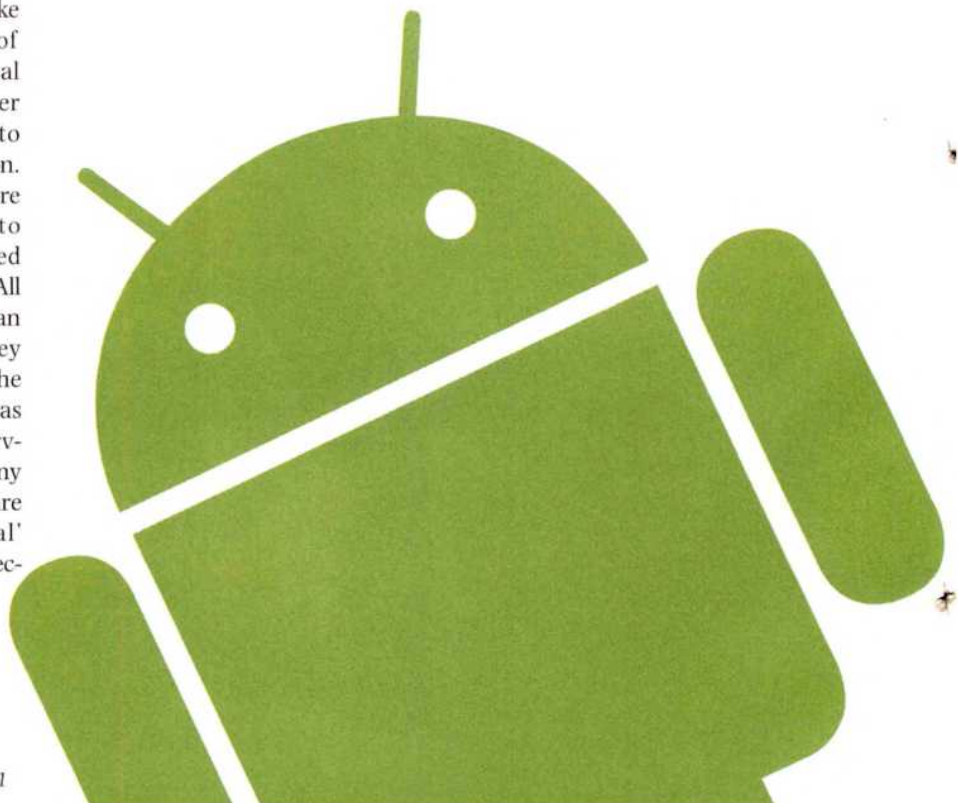
Things are going to get even more interesting in the Android space, if a recent event was any indication. The chipmaker Qualcomm recently organised a major event at a Delhi hotel, and while they showcased some USB dongles and spoke of some application developers, the most surprising thing was that almost every single consumer device showcased ran Android. And there were close to 100 devices.

Again, thanks to Chinese manufacturers, in this case ZTE and Huawei, Android smartphones were being showcased for as little as ₹5,000. These were not three-month old, out-of-fashion devices; these were yet to be launched phones.

Not all phones that run on Android are equal. Samsung’s Galaxy S2 is eons ahead of most

Android smartphones. But it will soon be possible to do almost everything that the S2 can on Vodafone’s forthcoming white-label Android smartphone – quite unimaginatively titled ‘Smart’ – which will cost a quarter of the price of the S2 or around ₹7,000. And MTS has taken prices even lower with two devices the MTAG and Livewire, which are priced at around ₹5,000.

Sure, these will be slightly slower than the S2. They will have smaller screens with not such great resolution. But they might well mark an inflection point in India, the point at which smartphone sales explode. Any such explosion will inevitably raise many issues, including the need for much more spectrum. But an information revolution is on the cards and it is set to transform this country. ♦





## WHAT IS YOUR INDIA? WHAT IS YOUR TODAY?

**Are you angry about corruption?**

Get it off your chest. Speak up. Act now for a better tomorrow.

It's time for you to tell us how you would  
change your India today. In 500 words.

Write to us about what your India should be.

And how we can get there.

Write to [yourtoday@intoday.com](mailto:yourtoday@intoday.com) by October 7, 2011.

Please attach a short CV and a photograph.

India Today editors will judge the entries.

INDIA  
**TODAY**

It's Your India. Your Today.



**THE BEST  
CONTRIBUTOR WILL  
GET A CHANCE  
TO WORK IN  
THE MAGAZINE\***



**3 LUCKY  
WINNERS**  
hp DreamScreen



# All in One Page

Good HR is about being simple and direct, says the author of a pathbreaking book on the subject

**H**uman resource managers, bogged down by administrative ho-hum, have been raving about *One Page Talent Management*, a book that suggests cutting down on the unnecessary layers that make assessment of talent opaque. Author **MARC EFFRON**, in India recently to research a new book, spoke to **SHAMNI PANDE** about how he got started and his new ideas. Edited excerpts:

## What led you to write the book?

This was around the year 2006 when Avon (one of the world's largest direct selling companies) was undertaking a serious restructuring of its business. Andrea Jung, then CEO, gave me just six months to not just put in place a system, but also create a structure that would deliver results within a year. I was working with the company as its HR head and my job was tough, to say the least. I did not have the time to experiment with any one system. That was when I actually sat down with some experts and looked at the existing methods and realised that managers are inundated with loads of paper and presentations to read and assess. What does it take to actually sit across with a colleague and say that these are the three things that I need you to work on and expect from you? Or that these are the areas that have not gone the way we agreed on?

## You are saying that 360 degree and other such reviews are not effective?

The point is not that these are bad, or ineffective. The process is effective but the point is lost many times. How many managers have the time to de-



Keep it simple: Marc Effron

SAPTARSHI BISWAS

vote to tomes of content over one issue? My experience with Avon led to this book where I wanted the results that any of these processes could deliver – all in one page, so to say.

## Will there be takers for your idea, given that so much investment goes into adopting an HR system?

Yes. I've had many managers giving me positive feedback. They would like to simplify their existing systems. My book does not ask them to ditch their internal systems but suggests ways in which things can be simplified.

## Your next book is said to deal with a rather radical idea – it is about CEOs and says they come with a shelf life. Won't that create a lot of instability?

My next book is about CEOs and how they can be more effective. It deals with matching CEOs with companies and the strategic challenges the latter are dealing with. The basic con-

cept is that companies are very dynamic – they evolve as they grow and also as various economic shifts hit them. People, though, are much more static. We tend to become very fixed in our capabilities and behaviours. So, as companies dynamically move, the individual doesn't move, and then there are larger gaps at some points in time.

The implication is that the more successfully we match the strategic situation with an individual who has the capability to deal with the situation, the better the results will be for all in the process.

This is not going to create instability, but will give more clarity to organisations about the direction they want to move in, and which ones are best placed to do so. In any case, there have been ugly departures and those are best avoided. A review suggests that the CEOs of the top 200 companies tend to currently have a tenure of anywhere between four and six years. ♦



# Watch that Pain in the Neck

Busy executives should guard against 'computer diseases', says Manasi Mithel

**D**eepak Kumar, a senior executive with a software company, is forever glued to his laptop or his two BlackBerrys. He spends most of his day switching from one screen to another, almost oblivious to the world around him. Kumar suffers frequent pinpricks of pain in his neck and upper back, which he attributes to stress and lack of sufficient sleep. But doctors have a different take – they know Kumar, like many others of his tribe with similar habits, is suffering from one of the many 'computer diseases'.

Computer diseases can do much damage. "People stay glued to their phones downloading the latest applications or even texting the person sitting right next to them," says Dr Rajesh Verma, an orthopaedic consultant at Artemis Hospital, Gurgaon. "What they do not realise is that constant browsing or texting not only affects their wrists and thumbs, but also strains their necks and shoulders."

Laptops and smartphones are not the only culprits. These diseases can also strike people spending long hours in cramped office cubicles and working on desktop computers without breaks. The problem is compounded by poor posture and lack of regular exercise, says Dr Mahesh Kuwelkar, an orthopaedic surgeon in Mumbai. "Some of the common complaints I get from people working in IT companies are numbness of the entire arm, lower back pain and swelling around the neck and upper back," he adds.

Dr Kuwelkar identifies some of them: Carpal Tunnel Syndrome, caused by excessive typing or texting, which makes the wrists swell up;



## WHILE AT WORK...

**Monitor:** Your computer should be roughly at arm's length. The top of the screen should be at eye level

**Keyboard:** While using the keyboard, your forearms should be close to your body and wrists straight

**Posture:** Change your posture frequently to minimise fatigue. Take short but frequent breaks

**Phone:** Use a headset or speakerphone if you need to speak on the telephone for extended periods

Trapizitis, brought on by carrying heavy laptop bags and marked by severe pain on one side of the back; and Fibrositis, which sparks off severe pain in the joints and muscles and is

caused by poor desk posture. "Degenerative Disc Disease, in which the spine gets damaged, caused by extended working hours in the wrong posture, is another problem," says Dr Verma.

But such ailments are not brought on by an individual's unhealthy habits alone. Poorly designed workstations also contribute to the problems. "Not only should employees correct their sitting posture, but workstations also need to be ergonomically designed," adds Dr Verma.

A study conducted by Rauf Iqbal, Assistant Professor at the National Institute of Industrial Engineering, or NITIE, shows good ergonomics – or a properly designed office – increases the productivity and efficiency of workers considerably. "Good ergonomics can ensure a physically healthy workforce," says Dr Iqbal. "This benefits the employer as well. It guarantees good business by lowering medical expenses and increasing output."

Tata group, Reliance Industries, Hero MotoCorp, DaimlerChrysler, ITC, Mitsubishi Chemicals and Samtel are among corporate houses that have redesigned their offices to get the ergonomics right. Currently, Dr Iqbal is carrying out an ergonomics study for Tata Sponge Iron in Orissa. "We looked at the medical records of our employees and found that a lot of them had been complaining of stiffness of the neck and backaches," says J.P. Mishra, Senior Manager at Joda-Orissa, Tata Sponge Iron. "We now want to undertake good ergonomic practices and make the workspace here more comfortable, in accordance with the recommendations the NITIE study makes." ♦



# Help Others, Help Yourself

Coaching executives to cope with life is a new career opportunity, finds **Manasi Mithel**

**A**round five months ago, Gurrit Sethi, Head of Operations, Standalone Dialysis Unit, Fortis Healthcare, Delhi, was an ill-tempered single mother struggling to find time to read. Today, with the help of her 'life coach', she has chalked out an action plan, setting down her priorities, and now finds time to read at least one book a week. She has even taken steps to improve her relationship with her daughter.

"When Gurrit first came to me, she would talk about how she felt disconnected with the world," says Sethi's coach Dr Daljit Singh, President of Strategy and Organisational Development at Fortis. "But now she thinks a world of new possibilities has opened up for her. She has become more open to learning from others around her."

Sethi is one among many corporate employees who have benefited from executive coaching. Another is Rajiv Arora, Head of Human Resources, or HR, Tata Teleservices. "Coaching saw me through a critical

"The basic idea of coaching is that an individual already has the solutions to his problems within him"

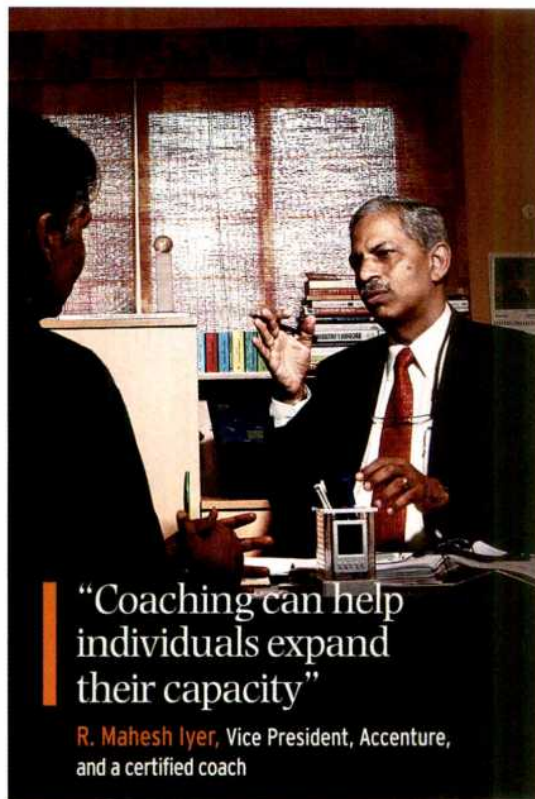
**Santhosh Babu**, MD, OD Alternatives, and a certified coach

stage of my career," he says. "The sessions helped me understand myself better. I could take my own decision about whether I was better suited for a business role, or to operate within the HR faculty." Arora, who was going through a career crisis about 10 to 12 years ago, chose the latter.

A host of companies such as Mahindra & Mahindra, or M&M, Bharti Airtel, the Tata Group, Ericsson, Vodafone, Aircel, Accenture, Hindustan Unilever and Fortis have begun executive coaching for their employees. "Coaching can help individuals expand their capacity and create the future they desire," says R. Mahesh Iyer, Vice President, Accenture, and a certified coach.

M&M introduced coaching for select employees in 2004. Initially, only senior-level executives were coached, but over the years the programme has been expanded to include mid- and junior-level personnel as well. At any given period, around 60 to 70 Mahindra executives are undergoing coaching. "We have both external and internal coaches," says Rajeev Dubey, President, Group HR & Aftermarket Sector, M&M. An external coach charges a corporate client around ₹6 lakh to ₹8 lakh for a six-month contract.

The need for coaches has in turn produced a new career opportunity,



**"Coaching can help individuals expand their capacity"**

**R. Mahesh Iyer, Vice President, Accenture, and a certified coach**

DEEPAK G. PAWAR

and a host of agencies have sprung up to train aspiring coaches. There are a number of global coaching collectives from which those starting such courses can seek certification, such as the International Coach Federation, or ICF, to which Indian agencies that train coaches usually turn to for certification.

Certified coach training programmes can cost anywhere between ₹1.5 lakh and ₹3 lakh. "The basic idea of coaching is that an individual already has the solutions to his problems within him," says Santhosh Babu, Managing Director of Organisation Develop-

ment, or OD, Alternatives, a consultancy firm, and a certified coach. "It is the job of the coach to increase the client's awareness of these problems and solutions by asking him questions."

Apart from local players, there are some global coach training agencies already in India – such as Results Coaching Systems, Symbiosis Coaching and Franklin-Covey – obviously drawn by the country's potential as an emerging market.

Coaching is also one profession which has turned the gender gap on its head – it boasts more women than men.

Rachana Mukherjee, Head of HR Mobility, Aircel, says it was her own decision to pursue part-time coaching. But her company has supported her efforts. She is

allowed to coach internally and have outside clients as well. For Shilpa Singh, a Masters in Psychology with nearly 15 years of HR experience, learning how to coach seemed like the next logical step. She quit her job and founded Metamorphosis Coaching and Consulting, an HR consulting firm. "Coaching is about helping a client bring thoughts and processes that hide in the subconscious to the conscious level," she says.

So, if you are a compassionate listener and want to help people out with their problems, coaching might be just the thing for you. ♦



**EMPLOYERS ARE WAITING FOR YOU.**

Monster has over 20000 employers on the look out. Post your resume at [monster.com](http://monster.com) and get the right job right here.

**monster.com**  
Right Jobs. Right Candidates.





# Senior Management Jobs brought to you by monster.com



TATA PROJECTS LIMITED

## Tataproyects

Head - Business Development (Oil, Gas & Hydrocarbons)

Location: Mumbai

Job ID: 9197642

Description: Head - Business Development (Oil, Gas & Hydrocarbons) based at Mumbai.



## The Mission Hospital

Biomedical Engineer

Location: Durgapur

Job ID: 10239097

Description: Minimizing downtime in all the processes involving Biomedical engineering services; Calibration of biomedical equipment; Minimizing cost of repair etc.



## Jobzebra

ISO Coordinators

Location: Bangalore

Job ID: 10230107

Description: Looking for ISO COORDINATORS for our client located in Bangalore.



ROLTA

## Rolta India Ltd

Sales Promotion Manager

Location: Mumbai

Job ID: 10221498

Description: The Sales Manager will be responsible for achieving the Sales Revenue targets assigned to him/her.



## Recruitica

National Sales Manager

Location: Hyderabad

Job ID: 10189635

Description: Looking for Global Head - Marketing having 15+ yrs of experience for an IT Healthcare Product company at Hyderabad.



## Rockwell Collins (India) Enterprises Pvt. Ltd.

Technical Support Engineer

Location: Mumbai

Job ID: 10204664

Description: Provide technical support to field engineers, technicians and product support who are diagnosing, troubleshooting, repairing.



## TTK Prestige Limited

Sr. Officer - Stores

Location: Coimbatore

Job ID: 9760411

Description: To plan and executive routine stores jobs, deployment of man power and ensuring compliance with statutory requirements.



## Jindal Steel & Power Limited

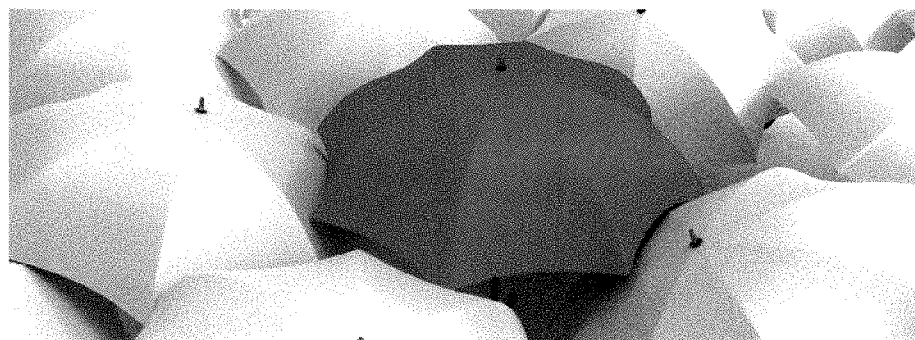
Deputy Manager - Finance & Accounts

Location: Subansiri & Roing (Arunachal Pradesh)

Job ID: 10242050

Description: Will be responsible for Financial Reporting and Monitoring of regular Accounting process.

To apply for above jobs logon to [www.monster.com](http://www.monster.com) >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

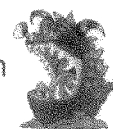


From millions of candidates,  
Monster helps you find the one  
that's just right for you

Call us Toll free : 1-800-4196666  
or  
email us at [sales@monsterindia.com](mailto:sales@monsterindia.com)

monster.com

Right Jobs. Right Candidates.



# IT Jobs brought to you by monster.com

**GlobalLogic**  
Leaders in Software R&D Services

**GlobalLogic India Pvt Ltd**

Solutions Architect

**Location:** Noida

**Job ID:** 10259883

**Description:** Solid telecom/IP networking domain expertise with a preferable mix of experience from SW development/system engineering/architecture.



**JDA Software**

Project Lead/Architect

**Location:** Hyderabad

**Job ID:** 10148766

**Description:** Responsible for development, maintenance, and implementation of a project module through a team.

**ciber**

**CIBER INC**

Automation Testers

**Location:** Bangalore

**Job ID:** 9991232

**Description:** Looking for Automation testing resources with experience in QTP, Load runner, test complete, work soft resources for CIBER.



**CedarCrestone Software India Pvt Ltd**

PeopleSoft Administrator

**Location:** Hyderabad

**Job ID:** 8526864

**Description:** Minimum of 5+ years PeopleSoft technical infrastructure experience. Must have experience in multiple applications.



**Freescale Semiconductor**

Team Leader/ Technical Leader

**Location:** Bangalore

**Job ID:** 8744349

**Description:** Hands on experience in post-silicon validation of complex SOCs is required.



**Cisco Systems (India) Private Limited**

Network Administrator

**Location:** Bangalore

**Job ID:** 10138897

**Description:** The candidate will be involved in the architecture, design, development and sustaining of routing & networking platforms.



**Seventh Sense Technologies (P) Ltd**

Hyperion Planning Technical

**Location:** Chennai

**Job ID:** 10257367

**Description:** Creating marketing collaterals for positioning the software products and services, building the POC model. Exp: 3 - 5 yrs, Education: MBA, Relevant exp: 3, Location: Chennai



**Web Development Company Ltd**

Software Test Engineer

**Location:** Bangalore

**Job ID:** 10160490

**Description:** Looking for Manual Tester with SOA. Skill: Manual Testing, UNIX Shell Scripting, SQL Database.

To apply for above jobs logon to [www.monster.com](http://www.monster.com) >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



Finding the right candidates made  
us make the world borderless

Call us Toll free : **1-800-4196666** or email us at [sales@monsterindia.com](mailto:sales@monsterindia.com)

**monster.com**

Right Jobs. Right Candidates.





# Sales and Marketing Jobs brought to you by monster.com

**SCAN**  
Thinking ahead

**Scan Infotech Private Limited**  
Business Development Executive  
**Location:** Mumbai  
**Job ID:** 9125377  
**Description:** Looking for Dynamic Result Oriented Sales Persons. You will require working with the Top Companies in India to sell our HW & SW Solutions.

**Lobo**

**Personnel Search Services Private Limited**  
Sales Exec/ Sales Representative  
**Location:** Bhubaneshwar  
**Job ID:** 10263330  
**Description:** The candidate should have minimum 1 years of experience in Channel Sales.

**TAN-NET**  
TECHNOLOGY RESOURCES

**Tannet Technology Resources Pvt. Ltd.**  
Assistant Sales Manager  
**Location:** Vadodara  
**Job ID:** 10249469  
**Description:** Developing marketing strategies to build consumer preference and drive volumes.

**Panasonic**  
ideas for life

**Panasonic India Private Limited**  
Marketing Manager  
**Location:** Gurgaon  
**Job ID:** 10080434  
**Description:** To survey, analyze, the India consumer related information (Housing/Lifestyle) by home visit and create the report on every quarter.

**Newell Rubbermaid**  
Brands That Matter

**Newell Rubbermaid**  
Channel Marketing Manager  
**Location:** Chennai  
**Job ID:** 9801437  
**Description:** Delivering in key areas such as product development, product launches, strategic process, merchandising and related activities etc.

**AccuLog X**

**Acculogix Software Solutions Pvt. Ltd.**  
Sales Executive  
**Location:** Mumbai, Pune  
**Job ID:** 10249358  
**Description:** The candidate should have exceptional skill in English language (Spoken & Writing skill) and good organizational skill.

**indiamart.com**  
Source. Build. Grow.

**India Mart**  
Direct Marketing- Executive  
**Location:** Mumbai  
**Job ID:** 9931357  
**Description:** Should be of Pleasing Personality. Should have Good written and verbal communication skills.

**XGATI**

**Gati Ltd**  
Business Development Manager  
**Location:** Mumbai  
**Job ID:** 10157923  
**Description:** Identify and develop business opportunities for the Company's creative solutions in industrial and product design as well as the Company's creativity services.

To apply for above jobs logon to [www.monster.com](http://www.monster.com) >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

## Find the right candidate with Monster's 3 Layer Quality Check



- Profile targeting
- Barrier prompt
- MagicFilter

Try Monster's enhanced Job Posting today. Its one of the many things we do to get you the right candidate.

Call us or email us at [sales@monsterindia.com](mailto:sales@monsterindia.com).  
Toll free : 1-800-4196666

**monster.com**  
Right Jobs. Right Candidates.



# Finance Jobs brought to you by monster.com



**CRY-Child Rights and You**  
Manager/Senior Manager - Finance

**Location:** Delhi, Kolkata

**Job ID:** 10126785

**Description:** You must be a M.COM with 7-9 years of experience and knowledge and operations of Financial Accounting Packages.



**Invensys**

Financial Controller

**Location:** Pune

**Job ID:** 10123928

**Description:** Responsible for all accounting functions including preparation of financial and operating reports. Provide cost and financial analysis on identification of improvement opportunities.



**ACS, Inc.**

Sr. Financial Analyst

**Location:** Bangalore

**Job ID:** 10238723

**Description:** Responsible for a variety of functions such as budgeting, forecasting and financial analysis, CAPEX viability.



**Thomson Reuters**

Assistant Controller

**Location:** Bangalore

**Job ID:** 10216999

**Description:** The jobholder will be assuming responsibility of key accounting components, statutory reporting, yearend submissions and other accounting areas.



**Anthroplace Consulting Private Limited**  
Assistant Account Manager

**Location:** Patna

**Job ID:** 9962259

**Description:** Handling Indirect Tax Matters such as (TDS, Service Tax, VAT & Sales Tax) etc.



**Murugappa Group**

Credit Manager - Mortgages

**Location:** Delhi, Gurgaon

**Job ID:** 8885736

**Description:** Able to check financial ratios and cash flows. Should underwrite credit proposals.



**JSW Steel Limited**

Chartered Accountant (CPA)

**Location:** Mumbai

**Job ID:** 10062194

**Description:** Responsible for managing accounts and taxation matters of certain investment companies in JSW Group.



**Live Connections Placements Pvt. Ltd.**

Accountant

**Location:** Bangalore

**Job ID:** 10258977

**Description:** Analyzes member firm financial data, including support of Financial Conditions analysis (Fin Con), external revenue reporting, and other regular and ad hoc reporting.

To apply for above jobs login to [www.monster.com](http://www.monster.com) >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

FINDING THE RIGHT CANDIDATE STRESSING YOU OUT?  
JUST CALL

1800 419 666

For the fastest, easiest and most economical way to get to the perfect resume, call us or email at [sales@monsterindia.com](mailto:sales@monsterindia.com).

We'll get you the right candidate, no matter what.

**monster.com**

Right Jobs. Right Candidates.

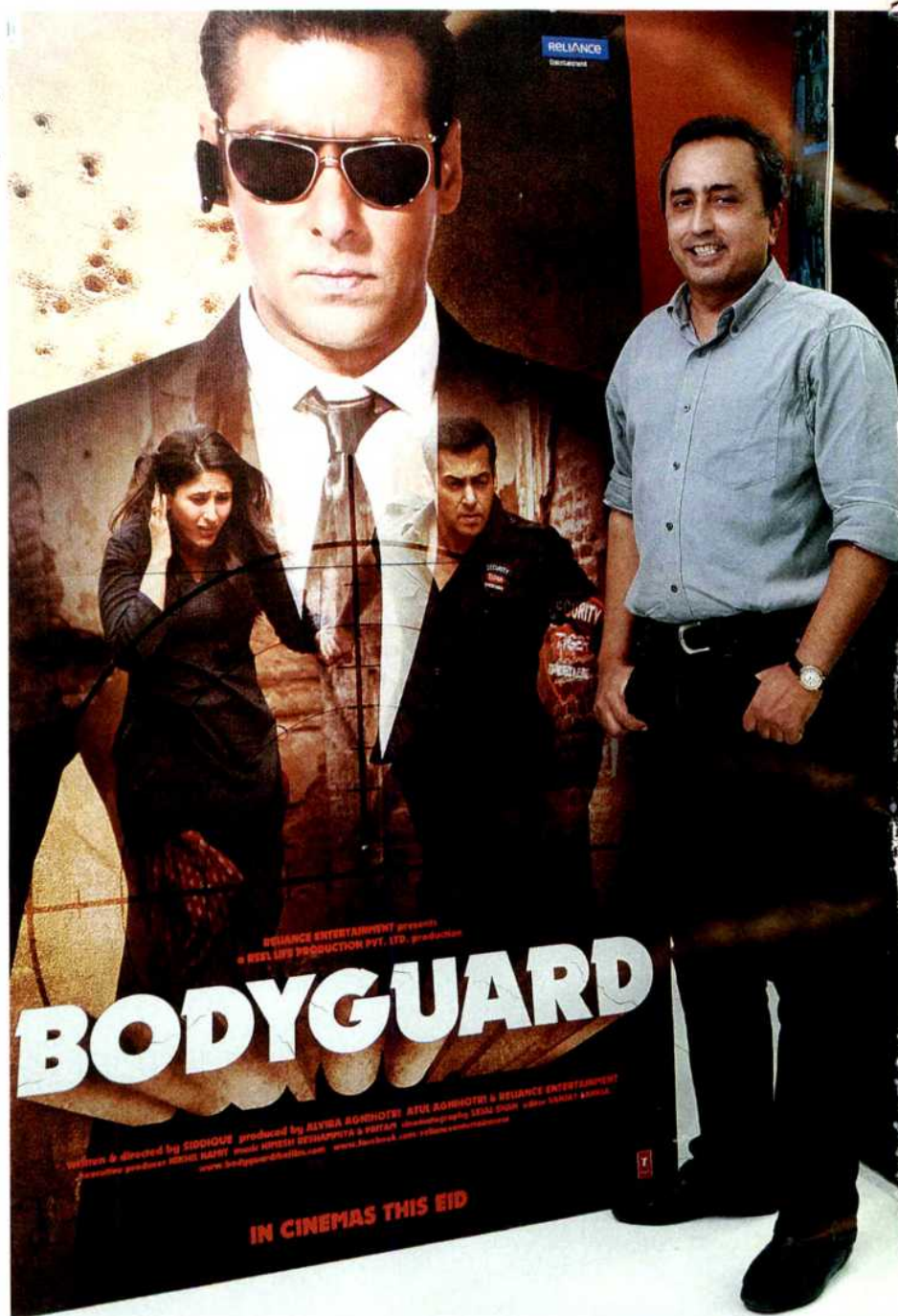


## Picture of Happiness

**SANJEEV LAMBA**, CEO of Reliance Entertainment, is a happy man these days. *Bodyguard* and *Singham*, two films distributed by his company, have grossed over ₹100 crore each. Indeed, the Salman Khan-starrer *Bodyguard*, co-produced by Reliance, achieved the feat within one week of its release and is en route to becoming an all-time blockbuster. Lamba, who ensures he watches a film a day, feels his love for movies is finally transforming into better returns for his company. "The success is due to the involvement of the Reliance team with the movies we back, right from the pre-production stage, including the scripting process," he says. "We are focused on quality, not quantity." Reliance plans to make five to six films in Hindi and four to five in regional languages every year, he adds. Lamba has a huge movie collection of his own, which includes around 200 made in Africa. He is also a big fan of the legendary singer Kishore Kumar.

ANAND J.

UMESH GOSWAMI/www.indiatodayimages.com



**Sanjeev Lamba**  
CEO, Reliance Entertainment



**PARK AVENUE**  
TRUE SHADES





## Quality Conscious

**SANDEEP GIROTRA** admires Jack Welch, the legendary former chairman of GE, for his ability to create an organisation with a shared vision. As the recently appointed India Head of Nokia Siemens Networks, a telecom infrastructure and solutions company, he hopes to achieve the same. He wants to take his company to the next level by delivering smart solutions, listening to customers and understanding their needs. "As the industry matures, the focus will move from cost-consciousness to quality-consciousness," he says. Away from work, Girotra enjoys reading, a workout at the end of the day and spending quality time with his family.

SUNNY SEN

SHEKHAR GHOSH/www.indiatodayimages.com

**Sandeep Girotra**

Head (India), Nokia Siemens Networks

## Spreading the Light

In 15 years his company has brought light into the lives of over half a million people by installing solar lighting in 120,000 households and 2,000 institutions and microenterprises. "It should not have taken that long," says **H. HARISH HANDE**, 44, Co-founder and Managing Director, SELCO India, a firm that has become synonymous with solar power lighting. He now wants to help new entrants scale up fast and get to such levels in five to seven years. This year, Hande won the Ramon Magsaysay Award. He hopes the award will encourage more people to take up social entrepreneurship. ♦

E. KUMAR SHARMA



**H. Harish Hande**  
Co-founder, SELCO India

DEEPAK G. PAWAR





## R.S. AGARWAL

Joint Chairman, Emami  
Group of Companies

My leadership style

- ☐ Delegative
- ☐ Participative
- ☐ Authoritative
- ☒ All of the above

The political leader

I admire the most

**Rajiv Gandhi**

The business leader

I admire the most

**J.R.D. Tata**

The leadership lesson

I remember the best

**Create leaders**

A book I would  
recommend on  
leadership

***Business Legends***  
by Gita Piramal

The difference between  
a manager and a leader

**Managers do  
more legwork.**

**Leaders lead,  
aspire and plan  
strategy for growth**

*As told to K.R.  
Balasubramanyam*



SUBIR HALDAR/www.indiatodayimages.com

Vol. 20, No. 20, for the fortnight September 19 to October 2. Released on September 19, 2011.

**Sure,** we have invested in technology more than others.

**But,** it is the responsiveness to our customers that motivates us.



At Shriram Transport Finance Company, we provide affordable finance to aspiring truckers without the hassle of elaborate paper work and collateral. Our long-standing relationship model and simple evaluation process make it possible for them to get their loans easily sanctioned.

A robust, technology-driven IT process enables us to respond quickly to meet the different needs of our customers. They get real-time information on commercial vehicles available anywhere in India. Helping them expand their fleet at affordable prices. We also give advice and financial support to prosper in their business and therefore help them improve their lifestyle.

No surprise then that today we enjoy strong relationships with over 8,00,000 happy customers\*. And have grown to become India's largest Asset Financing NBFC\*\* with Assets Under Management of ₹ 36,997 Crores\*.

Shriram Transport Finance Company - partnering lakhs of truckers on the road to prosperity.



\*As on June 30<sup>th</sup>, 2011. \*\*Retail Finance-Auto-November 2010 - CRISIL \*\*Report on Commercial Vehicle Finance, June 2011-Dun & Bradstreet.

FINANCE FOR: TRUCKS • PASSENGER VEHICLES • MULTI UTILITY VEHICLES • THREE WHEELERS • TRACTORS • CONSTRUCTION EQUIPMENT  
OTHER SERVICES: TYRE LOAN • ENGINE REPLACEMENT LOAN • BILL DISCOUNTING • CREDIT CARDS • AUTOMALLS • NEW LOOK • ONE STOP

Corp. Office: Shriram Transport Finance Company Limited, Wockhardt Towers, 3<sup>rd</sup> Floor,  
West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Tel.: 4095 9595. [www.stfc.in](http://www.stfc.in)



# Home Loans @ 10.75%



This monsoon, get cozy under  
your own roof.

on@onads.net

Home  
loan<sup>in</sup> **48**<sup>\*</sup>  
HOURS

Helpline: 1800-200-7777

SMS: 'HOME' to 56677

Email: [homeloans@indiabulls.com](mailto:homeloans@indiabulls.com)

[www.financial.indiabulls.com](http://www.financial.indiabulls.com)

**Indiabull**  
**HOME LOAN**

ghar aa jao